

Metropolitan Transit Financing

In the Twin Cities metropolitan area, public transit is operated or assisted by the Metropolitan Council, relying heavily on funding from the state.

The Metropolitan Council is the region's primary transit agency

Transit services provided or assisted by the Metropolitan Council include:

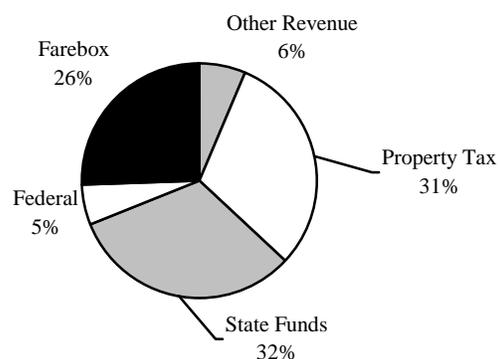
- ▶ **Metro Transit.** The Twin Cities' regional regular-route bus system. The council took over operation of the system when the Metropolitan Transit Commission was abolished in 1994.
- ▶ **Metro Mobility.** The demand-activated system that provides door-to-door transportation for eligible disabled persons.
- ▶ **"Opt-out" Systems.** Systems operated by one or more suburban communities to replace Metro Transit service.
- ▶ **Community-based Transit.** Rural and small-urban systems that receive operating assistance from the council.

The state is the largest funding source for metropolitan transit

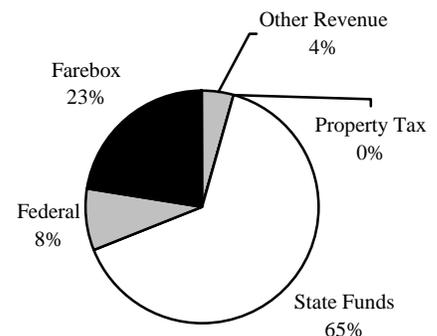
For many years the operating costs of Metro Transit and its predecessor systems came mainly from a combination of farebox revenue, state assistance, and a property tax in the metropolitan transit taxing area. The property tax also was the source for the council's assistance to community-based systems. The opt-out communities retained most of the transit property taxes collected in their jurisdictions and used these funds to subsidize their systems' operating costs.

This system was drastically changed by the 2001 Legislature, which abolished the property tax for transit operations and replaced it with a dedicated 20.5 percent of revenues from the state motor vehicle sales tax. The dramatic changes between 2000 and 2003 reflect the magnitude of the 2001 funding shift.

Metropolitan Transit Operations CY 2000



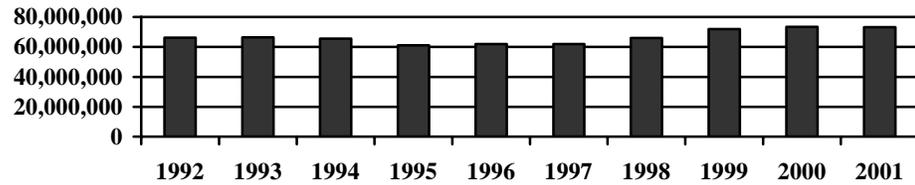
Metropolitan Transit Operations CY 2003



Metro Transit is the region's main regular-route system

Metro Transit has a fleet of some 950 buses, and in 2001 provided about 73 million rides.

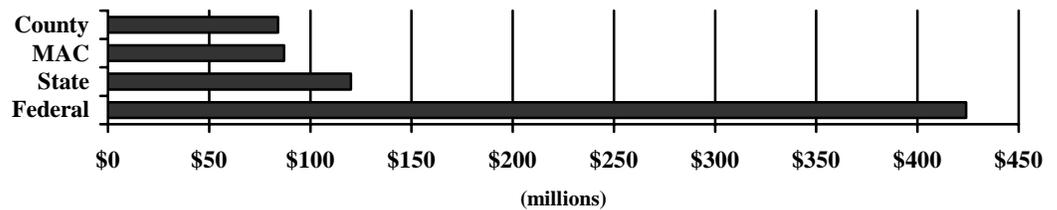
Metro Transit Ridership



The council operates light rail transit in the Hiawatha corridor

In addition to its bus service, the Metropolitan Council also operates the Hiawatha light rail transit line between downtown Minneapolis and Bloomington. The line was built with a combination of federal assistance, state bonding money, and contributions from Hennepin County and the Metropolitan Airports Commission (for the segment at Minneapolis-St. Paul airport).

Hiawatha LRT -- Capital Funding Sources (total \$715 million)

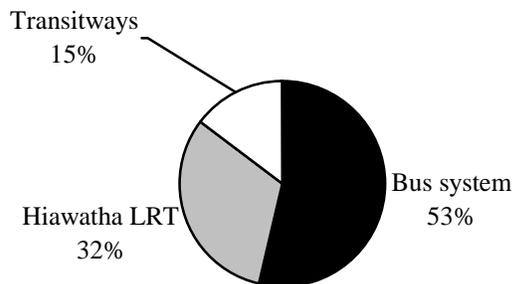


Operating funds for the Hiawatha line come from a combination of farebox revenue, federal funds, Metropolitan Council funds, state general funds, and money from the Hennepin County regional rail authority.

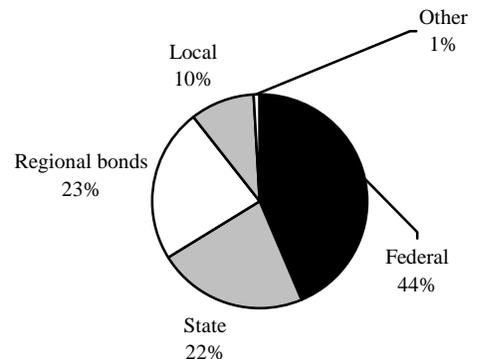
The council has an ambitious capital plan for transit

Based on its 2020 transit master plan, the council has proposed a six-year capital plan for 2002-07 that contemplates spending almost \$1.4 billion on transit capital improvements, including new buses, bus garages and facilities, the Hiawatha LRT line, and transitways (which could eventually be exclusive busways or light rail or commuter rail corridors).

2002-07 Capital Plan -- Facilities



2002-07 Capital Plan -- Fund Sources



For more information: See the House Research Short Subject [Greater Minnesota Transit Financing](#), September 2005.

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