

23103058D

## HOUSE BILL NO. 1609

Offered January 11, 2023

Prefiled January 6, 2023

A *BILL to amend and reenact § 33.2-1526.3, as it is currently effective and as it shall become effective, of the Code of Virginia, relating to Transit Ridership Incentive Program; on-demand microtransit operations.*

\_\_\_\_\_  
Patron—Tata

\_\_\_\_\_  
Referred to Committee on Transportation

**Be it enacted by the General Assembly of Virginia:**

**1. That § 33.2-1526.3, as it is currently effective and as it shall become effective, of the Code of Virginia is amended and reenacted as follows:**

**§ 33.2-1526.3. (Effective until July 1, 2024) Transit Ridership Incentive Program.**

A. The Board shall establish the Transit Ridership Incentive Program (the Program) to promote improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.

B. The goal of the Program shall be to encourage (i) the identification and establishment of routes of regional significance, (ii) *the development and implementation of on-demand microtransit operations in order to incentivize and promote transit ridership*, (iii) the development and implementation of a regional subsidy allocation model, (iv) *the implementation of integrated fare collection*, (v) *the establishment of bus-only lanes on routes of regional significance*, and (vi) other actions and service determined by the Board to improve transit service. *For the purposes of this subsection, "on-demand microtransit operations" means information technology-enabled multi-passenger public transportation services that use dynamically generated routes and flexible operations designed for small-size to mid-size vehicles, such as vans or shuttle buses, that may expect passengers to use common pick-up or drop-off points.*

C. The Board shall establish guidelines for the implementation of the Program and review such guidelines, at a minimum, every five years. The funds in the Program shall be awarded such that on a five-year rolling average, the amount of funds awarded to each urbanized area shall be equal to a ratio of the population within the Commonwealth of such urbanized area compared to the total population within the Commonwealth of all eligible urbanized areas. The Board may through an affirmative vote of a majority of the members vote to waive this requirement for a period not to exceed two years when they find there is a need that justifies such waiver.

D. *Any initiative or service approved for funding as provided in subsections B and C shall continue to be eligible to receive funding on an annual basis (i) for the duration of the Program, (ii) to cover up to 80 percent of costs, and (iii) for as long as funds are available from the amounts allocable to the region in which the initiative or service is located, based on the population ratio defined in subsection C.*

E. Notwithstanding the provisions of this section, the Board shall use at least 25 percent of the funds available to support the establishment of programs to reduce the impact of fares on low-income individuals, including reduced-fare programs and elimination of fares. The restrictions in subsection A shall not apply to funds used pursuant to this subsection, nor shall the funds used pursuant to this subsection be used to calculate the rolling average described in subsection C.

~~E. F.~~ F. The Board shall use at least 25 percent of the funds available to support regional transit initiatives. The Board shall use its discretion in allocating the remaining funds available as authorized pursuant to this section and based on the programs and initiatives submitted during the application process.

~~F. G.~~ G. The Board shall report annually to the Governor and the General Assembly on the projects and services funded by the Program. The report shall, at a minimum, include an analysis of the performance of the funded projects, the performance of the identified routes of regional significance, transit ridership, efforts funded pursuant to subsection ~~D~~ E, and any other information the Board determines to be appropriate.

**§ 33.2-1526.3. (Effective July 1, 2024) Transit Ridership Incentive Program.**

A. The Board shall establish the Transit Ridership Incentive Program (the Program) to promote improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.

B. The goal of the Program shall be to encourage (i) the identification and establishment of routes of

59 regional significance, (ii) *the development and implementation of on-demand microtransit operations in*  
60 *order to incentivize and promote transit ridership*, (iii) the development and implementation of a  
61 regional subsidy allocation model, (iv) *the implementation of integrated fare collection*, (v) *the*  
62 *establishment of bus-only lanes on routes of regional significance*, and (vi) other actions and service  
63 determined by the Board to improve transit service. *For the purposes of this subsection, "on-demand*  
64 *microtransit operations" means information technology-enabled multi-passenger public transportation*  
65 *services that use dynamically generated routes and flexible operations designed for small-size to*  
66 *mid-size vehicles, such as vans or shuttle buses, that may expect passengers to use common pick-up or*  
67 *drop-off points.*

68 C. The Board shall establish guidelines for the implementation of the Program and review such  
69 guidelines, at a minimum, every five years. The funds in the Program shall be awarded such that on a  
70 five-year rolling average, the amount of funds awarded to each urbanized area shall be equal to a ratio  
71 of the population within the Commonwealth of such urbanized area compared to the total population  
72 within the Commonwealth of all eligible urbanized areas. The Board may through an affirmative vote of  
73 a majority of the members vote to waive this requirement for a period not to exceed two years when  
74 they find there is a need that justifies such waiver.

75 D. *Any initiative or service approved for funding as provided in subsections B and C shall continue*  
76 *to be eligible to receive funding on an annual basis (i) for the duration of the Program, (ii) to cover up*  
77 *to 80 percent of costs, and (iii) for as long as funds are available from the amounts allocable to the*  
78 *region in which the initiative or service is located, based on the population ratio defined in subsection*  
79 *C.*

80 E. Notwithstanding the provisions of this section, the Board shall use an amount not to exceed 25  
81 percent of the funds available to support the establishment of programs to reduce the impact of fares on  
82 low-income individuals, including reduced-fare programs and elimination of fares. The restrictions in  
83 subsection A shall not apply to funds used pursuant to this subsection, nor shall the funds used pursuant  
84 to this subsection be used to calculate the rolling average described in subsection C.

85 ~~E.~~ F. The Board shall use at least 25 percent of the funds available to support regional transit  
86 initiatives. The Board shall use its discretion in allocating the remaining funds available as authorized  
87 pursuant to this section and based on the programs and initiatives submitted during the application  
88 process.

89 ~~F.~~ G. The Board shall report annually to the Governor and the General Assembly on the projects and  
90 services funded by the Program. The report shall, at a minimum, include an analysis of the performance  
91 of the funded projects, the performance of the identified routes of regional significance, transit ridership,  
92 efforts funded pursuant to subsection ~~D~~ E, and any other information the Board determines to be  
93 appropriate.