



# OLR RESEARCH REPORT

October 17, 2012

2012-R-0450

## **OLR BACKGROUNDER: TRANSIT DISTRICTS**

By: Paul Frisman, Principal Analyst

This report discusses the formation, organization, and operation of transit districts in Connecticut.

### **TRANSIT DISTRICTS IN CONNECTICUT**

A transit district is a governmental entity authorized by a state law (Chapter 103a) that gives regional transportation organizations broad powers to acquire, operate, and finance land transportation, such as bus lines, and transit terminals. The transit districts can operate their own services or contract with a private operator to provide services. Most transit districts also serve as the local agency that receives federal, state, and local funds, but where there are no active transit districts, regional planning agencies can also serve this function. Municipalities can participate in transit districts, but they are not required to.

A municipality, alone or with others, may form a transit district. A transit district assumes the same regulatory and supervisory functions over transit systems in its district that the state Department of Transportation (DOT) would exercise, as long as the transit system would otherwise be subject to DOT supervision ([CGS § 7-273b](#) et seq.).

Transit districts also provide federally required paratransit service (which the state subsidizes) for disabled people, including the elderly, who live near fixed bus routes but cannot ride the public buses. In some rural areas that do not have fixed route service, the transit districts also provide on-demand dial-a-ride service to the general public. For more on transportation for the elderly and people with disabilities, please see OLR Reports [2002-R-0880](#), [2010-R-0318](#), and [2012-R-0246](#). More information on state transit services is available on the DOT's website at: <http://www.ct.gov/dot/cwp/view.asp?a=1386&Q=414754&PM=1>.

The legislature first enacted the laws governing transit districts in 1961 (PA 507, originating as SB 1182) in response to concern that many private bus lines were failing. The legislature substantially expanded these laws in 1972 (PA 261, originating as SB 71).

According to DOT, there are 17 transit districts in Connecticut, 15 of which are considered active.

Table 1, below, lists the transit districts and towns served.

**Table 1: Transit Districts and Towns Served**

<b>Transit District</b>	<b>Towns Served</b>
Estuary	Chester, Clinton, Deep River, Essex, Killingworth, Lyme, Madison, Old Lyme, Old Saybrook, and Westbrook
Greater Bridgeport Transit Authority	Bridgeport, Derby, Fairfield, Milford, Monroe, Norwalk, Shelton, Stratford, Trumbull, and Westport
Greater Hartford	Bloomfield, East Hartford, East Windsor, Enfield, Farmington, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, West Hartford, Wethersfield, and Windsor
Greater New Haven	Ansonia, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North Branford, North Haven, Orange, Seymour, Shelton, Wallingford, Waterbury, West Haven, and Woodbridge
Greater Waterbury	Dial-A-Ride program
Housatonic Area	Bethel, Brookfield, Danbury, New Fairfield, New Milford, Newtown, Norwalk, Redding, Ridgefield, and Wilton
Meriden	Express bus
Middletown Area	Cromwell, Durham, East Hampton, Meriden, Middlefield, Middletown, and Portland
Milford	Milford
Northeastern Connecticut	Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Putnam, Sterling, Thompson, and Woodstock
Northwestern Connecticut	Barkhamsted, Canaan, Colebrook, Cornwall, Falls Village, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, Torrington, and Winsted
Norwalk	Norwalk
Southeast Area	Norwich, East Lyme, Griswold, Groton, Ledyard, Lisbon, Montville, New London, Preston, Stonington, and Waterford
Stamford	Runs bus shelter program*
Valley	Ansonia, Derby, Seymour, and Shelton
Westport	Served by Norwalk Transit District
Windham	Ashford, Chaplin, Columbia, Coventry, Hampton, Lebanon, Mansfield, Scotland, Willington, and Windham

Source: DOT and individual transit districts.

\*Does not receive DOT subsidy

## ***Expenses, Revenue and Subsidies***

Bus fares are not enough to cover transit system operating costs, requiring subsidies at the federal, state, and local levels. For example in fiscal year 2012, bus transit expenses were \$175.15 million. Fare revenue accounted for about \$40 million of that amount, or about 23% of total expenses statewide. State, municipal, and federal subsidies totaled \$126.1 million, with the state's share being by far the largest, at \$120.1 million, or about 95% of the total subsidy.

About three-quarters of the state amount (about \$89.3 million) subsidized Connecticut transit fixed-route bus operations in Bristol, Hartford, Meriden, New Britain, New Haven, Stamford, Wallingford, and Waterbury. DOT owns these bus systems and operates them under the CTTransit name. The state is fully responsible for all operating deficits and capital costs in these service areas. The remaining state money was distributed among the remaining transit districts, with whom DOT enters into contracts to cover operating deficits up to a predetermined budget amount. The amount of local subsidy was \$3.8 million (about 3% of the total), and the federal subsidy was \$1.47 million, or about 1.1%.

## **TRANSIT DISTRICT LAWS**

### ***Formation and Governance***

Transit districts are established by vote of the member municipalities' legislative bodies, and are managed by a board of directors, which must meet at least four times a year. Board members are chosen from the electors of each member town according to a population-based formula. They must be appointed by (1) the elected chief executive officer of a city or borough, (2) the board of selectmen in a municipality where the legislative body is a town meeting, or (3) the board of selectmen of a town with the approval of the legislative body. The board must appoint a district manager as the district's chief executive officer, and additional employees as needed. The districts are bodies corporate and politic, with bonding and eminent domain powers (although the latter is contingent on the approval of the municipality where the condemnation is to take place).

## ***Powers and Functions***

The law allows a transit district to assume the same regulatory and supervisory functions over a transit system in its district that the DOT would otherwise exercise. To do so, the district's board of directors must notify, in writing, DOT and the chief executive officer of each municipality in the district, among others.

The transit district may establish, operate, and maintain a transit system within the district or between the district and any municipality contiguous to its service area with which it contracts to provide service. It may establish a new system or acquire all or a portion of the property and franchises of any company operating a transit service in the district, including that portion used outside the district but which is integrated into service provided in the district. It also may establish, build, acquire, operate, and maintain transportation centers and parking facilities.

A district must set passenger fares and other rates, and establish service standards, among other things. It may contract with any person, common carrier (e.g., bus company), or state or federal agency to support, continue, provide, establish, or improve systems or service for mass transportation.

Transit districts may apply for grants or financial assistance from federal and state agencies and other sources. Transit districts cannot receive state funds for fixed bus route systems unless they have a DOT-approved plan to coordinate bus service with transit districts that provide bus service in adjacent towns. DOT must review the plan annually.

## **LEGISLATIVE HISTORY**

The legislature initially adopted legislation allowing towns to form transit districts in 1961 so that they could take over and operate failing private bus companies (PA 507, originating as SB 1182).

“This bill is designed to take care of any emergencies that might arise,” Senator Urbinati said at an April 26, 1961 Transportation Committee public hearing. “Should there be an abandonment of a bus company the municipalities would set up an authority to run the system.”

During the June 1, 1961 Senate debate Senator O’Dea stated that the measure is “a matter of vital concern to many Connecticut communities.” He said the bill “would authorize the establishment of self-supporting transit districts in any town or group of towns where private mass bus transportation had collapsed. All legitimate rights of the community, the owners of the private system being taken over, and the employees, would be protected.”

The 1961 law allowed a single town or several towns to form a transit district to have exclusive jurisdiction of motor bus service, subject to the approval of the Public Utilities Commission (PUC), “as long as a private ownership of transit operation exists in the district.” It could set bus fares, order the abandonment of uneconomic routes, or assess its member towns for subsidies for those routes, subject to PUC approval.

It also allowed the PUC, when it appeared that a private bus line was (a) unable to continue to offer satisfactory service and (b) unlikely to find a private buyer, to hold a hearing on whether the franchise was suitable for acquisition by a transit district. The PUC, in deciding suitability, had to consider whether (1) public convenience and necessity required the service to be continued, (2) the franchise owner was unable to provide satisfactory service, (3) it was improbable the franchise would be sought by a private buyer, and (4) continuing the service might require its operation by a transit district.

The legislature substantially expanded the powers of transit districts in 1972, giving transit districts the PUC’s power to regulate and supervise transit systems, and expanding the district’s authority to include trolley lines, monorails, and other land transportation carrying goods as well as passengers. It also gave transit districts authority over real property, equipment, and facilities used to provide, operate, administer, and maintain these transit systems (PA 261, originating as SB 71). (The legislature substituted the Department of Transportation for the PUC’s successor agency in 1980 (PA 80-94)).

Representative DeBaise, speaking during the April 18, 1972, House debate, said that the legislature was “standing...on the threshold of a new type of mass transportation districts in the state.” DeBaise said the bill “will provide transit districts with the powers they need ...to be prepared to play a role if necessary to preserve the present operation of buses...and to begin to tackle the problem of mass transportation in congested areas...Transit districts can begin long range planning for integrated mass transit system best suited for their areas.”

“I think what this bill will do ultimately,” Senator DeNardis said during the April 13, 1972 Senate debate, “is reverse the long trend of putting all our transportation eggs into one basket to aid...private motor cars to the virtual exclusion of other forms of transit.”

PF:ts