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119TH CONGRESS
2D SESSION

S. 3978

To increase the Federal operating share for rural transit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2026

Ms. SMITH (for herself, Mr. ROUNDS, and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To increase the Federal operating share for rural transit, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Investments in Rural Transit Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATION.—The term ''Administration'' means the Federal Transit Administration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Administration.

(3) RURAL AREA.—The term ''rural area'' has the meaning given the term in section 5302 of title 49, United States Code.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

SEC. 3. PROCUREMENT STREAMLINING.

(a) EXPANSION.—Section 3019(b) of the FAST Act (49 U.S.C. 5325 note) is amended—

(1) in paragraph (1)(A)—

(A) in clause (i)(I), by inserting ''or local'' after ''State'';

(B) in clause (ii), by striking subclauses (I) and (II) and inserting the following:

''(I) a nonprofit cooperative purchasing organization that is not a grantee;

''(II) a consortium of grantees; or

''(III) a consortium of entities described in subclause (I);'';

(C) in clause (iii), by inserting ''or local'' after ''State''; and

(D) by amending clause (v) to read as follows:

''(v) the term 'participate' means to purchase or procure under a cooperative procurement contract, using assistance provided under chapter 53 of title 49, United States Code—

''(I) rolling stock and related equipment;

''(II) farebox equipment, software or technology; or

''(III) other equipment or technology eligible for assistance under that chapter.''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting ''GOVERNMENT, LOCAL GOVERNMENT, OR ELIGIBLE NONPROFIT ENTITY'' after ''STATE'';

(B) by inserting '', local government, or eligible nonprofit entity'' after ''State government'' each place that term appears; and

(C) by inserting ''or other equipment or technology eligible under chapter 53 of title 49, United States Code,'' after ''related equipment'' each place that term appears.

(b) RECOMMENDATIONS.—The Secretary, acting through the Administrator, shall—

(1) establish a process to solicit feedback from grantees, State departments of transportation, and other relevant parties for improving and streamlining joint procurement and cooperative procurement and other strategies for improving rolling stock procurement and other procurements;

(2) assess the feedback solicited under paragraph (1) and make advisory recommendations to improve and streamline—

(A) joint procurement;

(B) cooperative procurement; or

(C) other procurement strategies for rolling stock; and

(3) submit to Congress and make publicly available on the website of the Administration annual reports on advisory recommendations concerning procurement, including recommended statutory, regulatory, and or guidance changes and potential cost savings.

SEC. 4. AMENDMENTS TO MASS TRANSIT.

(a) IN GENERAL.—Chapter 53 of title 49, United States Code, is amended—

(1) in section 5311—

(A) in subsection (g)(2)—

(i) by striking ''ASSISTANCE'' and all that follows through ''subparagraph (B), a'' and inserting ''ASSISTANCE.—A'';

(ii) by striking ''50'' and inserting ''80''; and

(iii) by striking subparagraph (B); and

(B) by adding at the end the following:

''(k) REGULATORY RELIEF.—The Secretary, acting through the Administrator of the Federal Transit Administration, shall establish a process to make recommendations to the Administrator regarding regulatory relief for recipients of assistance under this section, which shall include input from rural transit agencies, Tribal transit agencies, State departments of transportation, and other relevant parties.''; and

(2) in section 5339(b), by adding at the end the following:

''(12) TRIBAL PROJECTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), not less than 5 percent of the amounts made available under this subsection in a fiscal year shall be distributed to Tribal transit agencies.

''(B) UNUTILIZED AMOUNTS.—The Secretary may use less than 5 percent of the amounts made available under this subsection in a fiscal year for the projects described in subparagraph (A) if the Secretary cannot meet the requirements of that subparagraph due to insufficient eligible applications.

''(C) GOVERNMENT SHARE OF COSTS.—The Federal share of the cost of an eligible project carried out under this subsection shall be up to 100 percent.''.

SEC. 5. ASSOCIATE ADMINISTRATOR FOR PROGRAM MANAGEMENT AND TRIBAL TRANSIT.

Not later than1 year after the date of enactment of this Act, the Secretary shall designate an Associate Administrator for Program Management and Tribal Transit within the Administration, who shall, in addition to any responsibilities assigned by the Secretary or the Administrator, focus on capacity-building, coordination, and technical assistance for Tribal transit.

SEC. 6. JOINT REVIEW ON LOW- TO NO-EMISSION PROCUREMENT OPPORTUNITIES IN RURAL AREAS.

Not later than 2 years after the date of enactment of this Act, the Secretary and the Secretary of Energy

shall consult with rural transit agencies, Tribal transit agencies, and other relevant parties and issue a publicly available joint report on opportunities to make the procurement of low- and no-emission infrastructure by rural transit agencies more efficient, in particular opportunities to collaborate with other public entities in the community, including school districts and municipalities.

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