



2026 Transit Legislative Agenda

1. Strengthening and Sustaining State Transit Funding

- Local Bus Operating (LBO) is the state budget line that supports Michigan’s essential local transit services, which remain historically underfunded with current reimbursement rates of just 35% (for nonurban agencies) and 30% (for urban agencies). *Note: PA 51 provides that LBO is fully funded at 60% and 50% of expenses.*
- The MPTA supports at least \$330 million in LBO for FY2027 to maintain reimbursement rates, protect at-risk services, and support needed expansions.
- The MPTA also supports additional funding to increase frequencies on vital intercity bus routes.
- State leaders must develop long-term funding plans, while seeking opportunities to restore reimbursement rates to traditional levels.
- Lastly, the MPTA supports additional funding solutions, such as the allocation of auto-related sales taxes to the Comprehensive Transportation Fund (CTF).
 - FY2027 Appropriations and Transportation Budget
 - [HB 4210 of 2025](#) – increasing auto-related sales tax allocations for transportation purposes

2. Effective Implementation of Neighborhood Roads Funding

- The new Neighborhood Roads Fund will provide \$35 million annually in transit operating support and \$65 million annually for a new Infrastructure Projects Authority Fund.
- The MPTA supports the effective use of these funds to firstly maintain current services while also helping to develop new transit plans, services, and facilities that meet identified needs in a sustainable manner.
- Neighborhood Roads Fund allocations should primarily strengthen the eligible transit providers identified in PA 51, guided by state and local transit plans and allocated equitably across the state.
 - [PA 16 of 2025](#) – new Neighborhood Roads Act

3. Modernizing MDOT Policies and Facilitating Transit Projects

- The MPTA supports reforms at MDOT to ensure that transit is fully integrated into statewide transportation planning, project delivery, and funding decisions.
- The Governor should establish a new Bureau of Mobility with a gubernatorially-appointed director to provide for stronger collaboration and emphasis on transit, rail, aeronautics, ports, and economic development. The MPTA also encourages the inclusion of transit expertise at the State Transportation Commission (STC).
- MDOT should develop, update, and regularly report on a comprehensive statewide mass transit plan to guide improvements and investments.
- MDOT should also proactively assess and address public transit needs during state trunkline highway projects, and statute should define “reasonable appurtenances” include transit-supportive road elements.
- Lastly, the MPTA supports legislation to facilitate the development of Bus Rapid Transit (BRT) projects on state trunklines and to authorize intermodal services at MDOT park-and-rides.
 - Updating PA 51 and PA 286 transportation statutes for planning and assessment responsibilities
 - Establishing a new Bureau of Mobility within MDOT and ensuring transit expertise on the STC
 - Creating statutory definition of “reasonable appurtenances”
 - Clarifying responsibilities for BRT projects and authorizing intermodal services at MDOT park-and-rides

4. Updating Transit Funding Formulas

- The MPTA supports updating several definitions and references within PA 51 transit funding formulas.
- One change would update the LBO distribution population threshold to align with the federal definition of 200,000 for urbanized areas, while others would update and/or eliminate outdated references for local funding floors.
- Lastly, PA 51 should be updated to properly require state funding of the non-federal portion of transit capital projects, as has been the historic practice.
 - Updating PA 51 transit funding formulas

5. Protecting Local Funding of Transit Services

- The MPTA will closely monitor and respond to any proposed changes to local property tax structures and rules impacting transit millages.
- We support reforms – such as solutions to “dark stores” practices - that protect and enhance local transit funding, ensuring communities retain the ability to invest in essential services.
 - Protecting vital local property tax structures

6. Protecting Transit Workers

- The MPTA supports legislation to help ensure a safe and respectful environment for both employees and riders.
 - Providing agencies with additional safety tools and strengthening penalties for assaults against transit workers

7. Enhancing Transit Authority Governance

- The MPTA supports creating new safeguards for board member appointment, removal, and governance under PA 196 and other statutes to enhance accountability, transparency, and effective oversight of transit authorities.
 - Clarifying transit authority governance

8. Expanding Pupil Transportation Options

- The MPTA supports legislation to codify the ability of school districts to contract with public transit agencies for pupil transportation, with appropriate requirements to ensure safety and service quality.
- This approach expands mobility options for students, supports efficient use of resources, and strengthens partnerships between schools and local transit providers.
 - Updating Michigan’s pupil transportation act to provide for public transit services

Maintaining effective public transit services requires clear policy direction and sustained investment. These priorities outline a focused, achievable path to protect existing services, modernize state policy, and support local transit providers statewide. The MPTA and its members look forward to working with the Legislature, the Governor, and MDOT to advance these actions and deliver practical results for Michigan communities.