§ 5311. Formula grants for other than urbanized areas

(a) Definitions.— As used in this section, the following definitions shall apply:

(1) Recipient.— The term “recipient” means a State or Indian tribe that receives a Federal transit program grant directly from the Federal Government.

(2) Subrecipient.— The term “subrecipient” means a State or local governmental authority, a nonprofit organization, or an operator of public transportation or intercity bus service that receives Federal transit program grant funds indirectly through a recipient.

(b) General Authority.—

(1) Grants authorized.— Except as provided by paragraph (2), the Secretary may award grants under this section to recipients located in areas other than urbanized areas for—

(A) public transportation capital projects;

(B) operating costs of equipment and facilities for use in public transportation; and

(C) the acquisition of public transportation services, including service agreements with private providers of public transportation services.

(2) State program.—

(A) In general.— A project eligible for a grant under this section shall be included in a State program for public transportation service projects, including agreements with private providers of public transportation service.

(B) Submission to secretary.— Each State shall submit to the Secretary annually the program described in subparagraph (A).

(C) Approval.— The Secretary may not approve the program unless the Secretary determines that—

(i) the program provides a fair distribution of amounts in the State, including Indian reservations; and

(ii) the program provides the maximum feasible coordination of public transportation service assisted under this section with transportation service assisted by other Federal sources.

(3) Rural transportation assistance program.—

(A) In general.— The Secretary shall carry out a rural transportation assistance program in other than urbanized areas.

(B) Grants and contracts.— In carrying out this paragraph, the Secretary may use not more than 2 percent of the amount made available to carry out this section to make grants and contracts for transportation research, technical assistance, training, and related support services in other than urbanized areas.

(C) Projects of a national scope.— Not more than 15 percent of the amounts available under subparagraph (B) may be used by the Secretary to carry out projects of a national scope, with the remaining balance provided to the States.

(4) Data collection.— Each recipient under this section shall submit an annual report to the Secretary containing information on capital investment, operations, and service provided with funds received under this section, including—

(A) total annual revenue;

(B) sources of revenue;

(C) total annual operating costs;

(D) total annual capital costs;
(E) fleet size and type, and related facilities;
(F) revenue vehicle miles; and
(G) ridership.

(c) **Apportionments.**—

(1) **Public transportation on indian reservations.**— Of the amounts made available or appropriated for each fiscal year pursuant to subsections (a)(1)(C)(v) and (b)(2)(G) of section 5338, the following amounts shall be apportioned for grants to Indian tribes for any purpose eligible under this section, under such terms and conditions as may be established by the Secretary:

- (A) $8,000,000 for fiscal year 2006.
- (B) $10,000,000 for fiscal year 2007.
- (C) $12,000,000 for fiscal year 2008.
- (D) $15,000,000 for fiscal year 2009.
- (E) $15,000,000 for fiscal year 2010.
- (F) $15,000,000 for fiscal year 2011.
- (G) $7,500,000 for the period beginning on October 1, 2011, and ending on March 31, 2012.

(2) **Remaining amounts.**— Of the amounts made available or appropriated for each fiscal year pursuant to subsections (a)(1)(C)(v) and (b)(2)(G) of section 5338 that are not apportioned under paragraph (1)—

- (A) 20 percent shall be apportioned to the States in accordance with paragraph (3); and
- (B) 80 percent shall be apportioned to the States in accordance with paragraph (4).

(3) **Apportionments based on land area in nonurbanized areas.**—

- (A) **In general.**— Subject to subparagraph (B), each State shall receive an amount that is equal to the amount apportioned under paragraph (2)(A) multiplied by the ratio of the land area in areas other than urbanized areas in that State and divided by the land area in all areas other than urbanized areas in the United States, as shown by the most recent decennial census of population.
- (B) **Maximum apportionment.**— No State shall receive more than 5 percent of the amount apportioned under this paragraph.

(4) **Apportionments based on population in nonurbanized areas.**— Each State shall receive an amount equal to the amount apportioned under paragraph (2)(B) multiplied by the ratio of the population of areas other than urbanized areas in that State divided by the population of all areas other than urbanized areas in the United States, as shown by the most recent decennial census of population.

(d) **Use for Local Transportation Service.**— A State may use an amount apportioned under this section for a project included in a program under subsection (b) of this section and eligible for assistance under this chapter if the project will provide local transportation service, as defined by the Secretary of Transportation, in an area other than an urbanized area.

(e) **Use for Administration, Planning, and Technical Assistance.**— The Secretary of Transportation may allow a State to use not more than 15 percent of the amount apportioned under this section to administer this section and provide technical assistance to a subrecipient, including project planning, program and management development, coordination of public transportation programs, and research the State considers appropriate to promote effective delivery of public transportation to an area other than an urbanized area.

(f) **Intercity Bus Transportation.**—

(1) **In general.**— A State shall expend at least 15 percent of the amount made available in each fiscal year to carry out a program to develop and support intercity bus transportation. Eligible activities under the program include—

- (A) planning and marketing for intercity bus transportation;
(B) capital grants for intercity bus shelters;
(C) joint-use stops and depots;
(D) operating grants through purchase-of-service agreements, user-side subsidies, and demonstration projects; and
(E) coordinating rural connections between small public transportation operations and intercity bus carriers.

(2) **Certification.**— A State does not have to comply with paragraph (1) of this subsection in a fiscal year in which the chief executive officer of the State certifies to the Secretary, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are being met adequately.

(g) **Government Share of Costs.**—

(1) **Capital projects.**—

(A) **In general.**— Except as provided by subparagraph (B), a grant awarded under this section for a capital project or project administrative expenses shall be for 80 percent of the net costs of the project, as determined by the Secretary.

(B) **Exception.**— A State described in section 120 (b) of title 23 shall receive a Government share of the net costs in accordance with the formula under that section.

(2) **Operating assistance.**—

(A) **In general.**— Except as provided by subparagraph (B), a grant made under this section for operating assistance may not exceed 50 percent of the net operating costs of the project, as determined by the Secretary.

(B) **Exception.**— A State described in section 120 (b) of title 23 shall receive a Government share of the net operating costs equal to 62.5 percent of the Government share provided for under paragraph (1)(B).

(3) **Remainder.**— The remainder of net project costs—

(A) may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a State or local social service agency or a private social service organization, or new capital;

(B) may be derived from amounts appropriated or otherwise made available to a department or agency of the Government (other than the Department of Transportation) that are eligible to be expended for transportation; and

(C) notwithstanding subparagraph (B), may be derived from amounts made available to carry out the Federal lands highway program established by section 204 of title 23.

(4) **Use of certain funds.**— For purposes of paragraph (3)(B), the prohibitions on the use of funds for matching requirements under section 403(a)(5)(C)(vii) of the Social Security Act (42 U.S.C. 603 (a)(5)(C)(vii)) shall not apply to Federal or State funds to be used for transportation purposes.

(5) **Limitation on operating assistance.**— A State carrying out a program of operating assistance under this section may not limit the level or extent of use of the Government grant for the payment of operating expenses.

(h) **Transfer of Facilities and Equipment.**— With the consent of the recipient currently having a facility or equipment acquired with assistance under this section, a State may transfer the facility or equipment to any recipient eligible to receive assistance under this chapter if the facility or equipment will continue to be used as required under this section.

(i) **Relationship to Other Laws.**—

(1) Section 5333 (b) applies to this section if the Secretary of Labor utilizes a special warranty that provides a fair and equitable arrangement to protect the interests of employees.

(2) This subsection does not affect or discharge a responsibility of the Secretary of Transportation under a law of the United States.

### Historical and Revision Notes

<table>
<thead>
<tr>
<th>Revised Section</th>
<th>Source (U.S. Code)</th>
<th>Source (Statutes at Large)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5311(a)</td>
<td>49 App.:1614(c) (3d sentence).</td>
<td>July 9, 1964, Pub. L. 88–365, 78 Stat. 302, § 18(b), (c) (2d, 3d sentences), (d), (e) (1st–4th sentences), (f); added Nov. 6, 1978, Pub. L. 95–599, § 313, 92 Stat. 2749, 2750.</td>
</tr>
<tr>
<td>5311(g)(2)</td>
<td>49 App.:1614(e) (1st–4th sentences).</td>
<td></td>
</tr>
</tbody>
</table>
In subsection (a), the words “Eligible” and “and agencies thereof” are omitted as surplus.

In subsection (b)(1), the words “The Secretary of Transportation may make grants” are added for clarity and consistency in this chapter. The word “equitable” is omitted as being included in “fair”.

In subsection (b)(2), the words “establish and” are omitted as executed. The word “direct” is omitted as surplus.

In subsection (c), the words “for expenditure in each fiscal year” are omitted as surplus. The words “so that” are substituted for “Such sums shall be made available for expenditure for public transportation projects in areas other than urbanized areas on the basis of a formula under which” to eliminate unnecessary words. The words “will be entitled to” and “as designated by the Bureau of the Census” are omitted as surplus. The words “United States” are substituted for “all the States” for consistency in the revised title and with other titles of the Code. The words “available”, “a period of”, and “the close of” are omitted as surplus.

In subsection (d), the words “included in a program under subsection (b) of this section” are substituted for 49 App.:1614(b) (1st–17th words) and “which are appropriate for areas other than urbanized areas” to eliminate unnecessary words. The words “for assistance” are added for clarity.

In subsection (e)(1), the words “of funds under this section. Such technical assistance” and “(public and private)” are omitted as surplus.

In subsections (e)(2) and (g)(2), the word “grant” is substituted for “share” for consistency in this chapter.

In subsection (f), the text of 49 App.:1614(i)(3) is omitted as obsolete.

In subsection (f)(1), before clause (A), the words “Subject to paragraph (2)” are omitted as surplus. The reference to fiscal year 1992 is omitted as obsolete.

In subsection (g)(2), the words “under this chapter”, “as defined by the Secretary”, “Any public or private”, “solely”, and “available in” are omitted as surplus.

Subsection (h) is substituted for 49 App.:1614(c) (last sentence) for clarity and consistency in this chapter and to eliminate unnecessary words.

In subsection (j)(1), the text of 49 App.:1614(f) (1st sentence) is omitted as unnecessary because of section 5334(a) of the revised title and 49:322(a). The words “in carrying out projects” are omitted as surplus.

**Amendments**

2011—Subsec. (c)(1)(F). Pub. L. 112–5 amended subpar. (F) generally. Prior to amendment, text read as follows: “$6,369,000 for the period beginning October 1, 2010 and ending March 4, 2011.”


Subsec. (c)(1)(F). Pub. L. 111–322 amended subpar. (F) generally. Prior to amendment, subpar. (F) read as follows: “$3,750,000 for the period beginning October 1, 2010, and ending December 31, 2010.”
(f)(1) The Secretary of Transportation may make grants for transportation projects that are included in a State program of mass transportation service projects (including service agreements with private providers of mass transportation service) for areas other than urbanized areas. The program shall be submitted annually to the Secretary. The Secretary may approve the program only if the Secretary finds that the program provides a fair distribution of amounts in the State, including Indian reservations, and the maximum feasible coordination of mass transportation service assisted under this section with transportation service assisted by other United States Government sources.

(1) The Secretary of Transportation shall carry out a rural transportation assistance program in nonurbanized areas.

In carrying out this paragraph, the Secretary may make grants and contracts for transportation research, technical assistance, training, and related support services in nonurbanized areas.”

Subsec. (e). Pub. L. 109–59, § 3013(c), amended heading and text of subsec. (c) generally. Prior to amendment, text read as follows: “The Secretary of Transportation shall apportion amounts made available under section 5338 (a) of this title so that the chief executive officer of each State receives an amount equal to the total amount apportioned multiplied by a ratio equal to the population of areas other than urbanized areas in a State divided by the population of all areas other than urbanized areas in the United States, as shown by the most recent of the following: the latest Government census, the population estimate the Secretary of Commerce prepares after the 4th year after the date the latest census is published, or the population estimate the Secretary of Commerce prepares after the 8th year after the date the latest census is published. The amount may be obligated by the chief executive officer for 2 years after the fiscal year in which the amount is apportioned. An amount that is not obligated at the end of that period shall be reapportioned among the States for the next fiscal year.”


Subsec. (f)(2). Pub. L. 109–59, § 3013(e)(2), inserted heading and substituted “Secretary, after consultation with affected intercity bus service providers,” for “Secretary of Transportation”.

Subsec. (g). Pub. L. 109–59, § 3013(f), substituted “Government” for “Government’s” in heading and amended text generally. Prior to amendment, text read as follows:

“(1) In this subsection, ‘amounts of the Government or revenues’ do not include amounts received under a service agreement with a State or local social service agency or a private social service organization.

“(2) A grant of the Government for a capital project under this section may not be more than 80 percent of the net cost of the project, as determined by the Secretary of Transportation. A grant to pay a subsidy for operating expenses may not be more than 50 percent of the net cost of the operating expense project. At least 50 percent of the remainder shall be provided in cash from sources other than amounts of the Government or revenues from providing mass transportation. Transit system amounts that make up the remainder shall be from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital.”

Subsec. (h). Pub. L. 109–59, § 3013(g), redesignated subsec. (i) as (h) and struck out heading and text of former subsec. (h). Text read as follows: “An amount made available under this section may be used for operating assistance.”

Subsec. (i)(1). Pub. L. 109–59, § 3013(h), which directed amendment of subsec. (j)(1) by substituting “if the Secretary of Labor utilizes a special warranty that provides a fair and equitable arrangement to protect the interests of employees” for “but the Secretary of Labor may waive the application of section 5333 (b)”, was executed by making the substitution in subsec. (i)(1) to reflect the probable intent of Congress and the redesignation of subsec. (j) as (i) by Pub. L. 109–59, § 3013(g)(2). See above.

