

119TH CONGRESS  
2D SESSION

# S. 3978

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

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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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Investments in Rural  
5 Transit Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) ADMINISTRATION.—The term “Administra-  
9 tion” means the Federal Transit Administration.

1           (2) ADMINISTRATOR.—The term “Adminis-  
2           trator” means the Administrator of the Administra-  
3           tion.

4           (3) RURAL AREA.—The term “rural area” has  
5           the meaning given the term in section 5302 of title  
6           49, United States Code.

7           (4) SECRETARY.—The term “Secretary” means  
8           the Secretary of Transportation.

9   **SEC. 3. PROCUREMENT STREAMLINING.**

10          (a) EXPANSION.—Section 3019(b) of the FAST Act  
11          (49 U.S.C. 5325 note) is amended—

12                 (1) in paragraph (1)(A)—

13                         (A) in clause (i)(I), by inserting “or local”  
14                         after “State”;

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

17                                 “(I) a nonprofit cooperative pur-  
18                                 chasing organization that is not a  
19                                 grantee;

20                                 “(II) a consortium of grantees;

21                                 or

22                                 “(III) a consortium of entities  
23                                 described in subclause (I);”;

24                         (C) in clause (iii), by inserting “or local”  
25                         after “State”; and

1 (D) by amending clause (v) to read as fol-  
2 lows:

3 “(v) the term ‘participate’ means to  
4 purchase or procure under a cooperative  
5 procurement contract, using assistance  
6 provided under chapter 53 of title 49,  
7 United States Code—

8 “(I) rolling stock and related  
9 equipment;

10 “(II) farebox equipment, software  
11 or technology; or

12 “(III) other equipment or tech-  
13 nology eligible for assistance under  
14 that chapter.”; and

15 (2) in paragraph (2)—

16 (A) in the paragraph heading, by inserting  
17 “GOVERNMENT, LOCAL GOVERNMENT, OR ELI-  
18 GIBLE NONPROFIT ENTITY” after “STATE”;

19 (B) by inserting “, local government, or el-  
20 igible nonprofit entity” after “State govern-  
21 ment” each place that term appears; and

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

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

3 (1) establish a process to solicit feedback from  
4 grantees, State departments of transportation, and  
5 other relevant parties for improving and stream-  
6 lining joint procurement and cooperative procure-  
7 ment and other strategies for improving rolling stock  
8 procurement and other procurements;

9 (2) assess the feedback solicited under para-  
10 graph (1) and make advisory recommendations to  
11 improve and streamline—

12 (A) joint procurement;

13 (B) cooperative procurement; or

14 (C) other procurement strategies for roll-  
15 ing stock; and

16 (3) submit to Congress and make publicly avail-  
17 able on the website of the Administration annual re-  
18 ports on advisory recommendations concerning pro-  
19 curement, including recommended statutory, regu-  
20 latory, and or guidance changes and potential cost  
21 savings.

22 **SEC. 4. AMENDMENTS TO MASS TRANSIT.**

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

25 (1) in section 5311—

1 (A) in subsection (g)(2)—

2 (i) by striking “ASSISTANCE” and all  
3 that follows through “subparagraph (B),  
4 a” and inserting “ASSISTANCE.—A”;

5 (ii) by striking “50” and inserting  
6 “80”; and

7 (iii) by striking subparagraph (B);  
8 and

9 (B) by adding at the end the following:

10 “(k) REGULATORY RELIEF.—The Secretary, acting  
11 through the Administrator of the Federal Transit Admin-  
12 istration, shall establish a process to make recommenda-  
13 tions to the Administrator regarding regulatory relief for  
14 recipients of assistance under this section, which shall in-  
15 clude input from rural transit agencies, Tribal transit  
16 agencies, State departments of transportation, and other  
17 relevant parties.”; and

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

20 “(12) TRIBAL PROJECTS.—

21 “(A) IN GENERAL.—Subject to subpara-  
22 graph (B), not less than 5 percent of the  
23 amounts made available under this subsection  
24 in a fiscal year shall be distributed to Tribal  
25 transit agencies.

1           “(B) UNUTILIZED AMOUNTS.—The Sec-  
 2           retary may use less than 5 percent of the  
 3           amounts made available under this subsection  
 4           in a fiscal year for the projects described in  
 5           subparagraph (A) if the Secretary cannot meet  
 6           the requirements of that subparagraph due to  
 7           insufficient eligible applications.

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

12 **SEC. 5. ASSOCIATE ADMINISTRATOR FOR PROGRAM MAN-**  
 13 **AGEMENT AND TRIBAL TRANSIT.**

14          Not later than 1 year after the date of enactment of  
 15 this Act, the Secretary shall designate an Associate Ad-  
 16 ministrator for Program Management and Tribal Transit  
 17 within the Administration, who shall, in addition to any  
 18 responsibilities assigned by the Secretary or the Adminis-  
 19 trator, focus on capacity-building, coordination, and tech-  
 20 nical assistance for Tribal transit.

21 **SEC. 6. JOINT REVIEW ON LOW- TO NO-EMISSION PRO-**  
 22 **CUREMENT OPPORTUNITIES IN RURAL**  
 23 **AREAS.**

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

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

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