

costs may not exceed 72% of the nonfederal share of the operating deficit of a mass transit system.

**History:** Cr. Register, November, 1978, No. 275, eff. 12-1-78.

**Trans 4.06 Distribution of state aids.** (1) The department shall distribute the state appropriations for this program among eligible applicants in accordance with the procedures set forth in s. 85.05 (4), Stats.

(2) In computing the base year entitlement of a publicly owned transit system, the department shall not consider sums paid to an eligible applicant by the former private owner of the transit system to be operating revenues.

**History:** Cr. Register, November, 1978, No. 275, eff. 12-1-78.

**Trans 4.07 Applications for state aids.** (1) Eligible applicants may apply to the department for aids under s. 85.05, Stats. If more than one body in a given urban area contributes assistance to a mass transit system, one local public body should submit a single application on behalf of all participating local governments. The applicant public body, as well as all other participating local governments, shall assure that the required local shares of eligible project costs will be available.

(2) Applications for aids shall be submitted to the department no later than December 1 of the calendar year preceding the proposed project year. For purposes of this chapter a "project year" is defined to be a calendar year. The department does not accept applications for less than a project year.

(3) Applications shall be made in a manner and form prescribed by the department and the department shall furnish application instructions to applicants by September 1 of the calendar year preceding the proposed project year.

(4) Eligible applicants in "urbanized" areas shall submit a copy of their application to the appropriate metropolitan planning organization.

**History:** Cr. Register, November, 1978, No. 275, eff. 12-1-78.

**Trans 4.08 State aid contracts.** (1) For each even-numbered calendar year, the department shall execute an annual aid contract with each eligible applicant. No amendments relating to state aid allocations may be made except upon the department's initiative.

(2) For each odd-numbered calendar year, the department shall initially execute a six-month contract with each eligible applicant for the January through June period. Upon enactment of the biennial state budget act appropriating money for the program, the six-month aid contract shall be amended to include the second 6 months of the contract year. No other amendments relating to state aid allocations may be made except upon the department's initiative.

(3) Notwithstanding the provisions of subs. (1) and (2), state aid contracts may be terminated by either the department or the applicant under the following conditions:

(a) By the department, if the department determines that the purpose of the aid program as expressed in s. 85.05, Stats., is not being fulfilled, or if the recipient fails to comply with the terms and conditions of the state aid contract.

(b) By the recipient, if the recipient makes a formal application to the department to do so.

(4) A state aid contract may be terminated as provided in sub. (3) by giving written notice of intent to terminate, sent by certified mail, at least 30 calendar days prior to the proposed termination date.

(5) Using the allocation procedures specified in Trans 4.06 and the official projections of annual operating deficits as determined by the department, the department shall commit a specified amount of state aids to each eligible recipient in each state aid contract. The state is only obligated to pay up to 72% of the nonfederal share of a mass transit system's operating deficit actually incurred during the contract year. The "actual" operating deficit, and nonfederal share thereof, shall be determined by the department in accordance with generally accepted accounting principles and practices.

(6) State aid contracts shall require that recipients do the following:

(a) Pay the operating deficit of the mass transit system;

(b) Provide reduced fare programs for elderly and handicapped persons during nonpeak hours (reduced fares may not exceed one-half of the adult cash fare);

(c) Establish and maintain accounting procedures and documents as prescribed or approved by the department;

(d) Assure that the mass transit system will count "revenue passenger trips" in accordance with ch. Trans 3;

(e) Assure that the mass transit system will file any reports required by the department at a time and in a manner prescribed by the department; and

(f) Assure that, if other local public bodies contribute assistance to the operation of the mass transit system, the state aids received are allocated among the contributors in proportion to their contributions.

(7) State aids shall be paid to recipients on a quarterly basis. If the department's audit establishes that 72% of the nonfederal share of a system's actual eligible operating deficit is less than the state aid commitment, then the recipients shall refund to the department an amount equal to the difference.

(8) Each state aid contract shall include an appendix entitled "Transit Management Plan." The "Transit Management Plan" shall describe for the contract year, how the transit system will be operated, the amount of service which will be provided, the fares to be charged, and the procedures to be used for establishing revenue passenger trips for the system. "Transit Management Plans" may be amended during the course of a contract year. The amendments may not change the allocation of state aids to or among recipients for the contract year. The department may require the applicant to hold a public hearing on the proposed change prior to the department's determination on the proposal.

(9) If the recipient contracts for mass transit service with a privately-owned system, the recipient shall execute a formal contract with the system. The contract shall be submitted to the department for review and approval prior to execution.

(10) If a recipient applies for and receives federal aids to offset all or a portion of the operating deficit incurred during the contract period, the recipient shall notify the department in writing when such application is made, when the application is approved, when federal aids are requisitioned and when federal aids are received.

(11) If other local public bodies contribute assistance to the operation of the mass transit system, the recipient shall execute with each such local public body a written agreement specifying the obligations of each party and file a copy of the agreement with the department.

**History:** Cr. Register, November, 1978, No. 275, eff. 12-1-78.

*ammy on 4/26/81*