

Summary

SouthWest Transit (SWT) is seeking support for HF3301/SF3498 to secure a dedicated share of the regional $\frac{3}{4}$ cent transit sales tax. This funding is an investment in both connectivity and efficiency across the Twin Cities – keeping suburban transit strong, reliable, and ready to connect people to opportunity and economic growth.

SWT is an award-winning transit agency serving the Southwest Twin Cities with fixed route/commuter express, on-demand rideshare (microtransit), and special transit services. We are not like every other suburban provider – our model is lean and effective, directing the majority of our resources into service delivery. In 2024, SWT spent 25% of operating expenses on administrative overhead compared to 25% at Metro Transit and 33% at Met Council (National Transit Database (NTD) reporting).



"You can't find better service or people anywhere." – SWT Rider

Our Asks

- Support for HF3301/SF3498, which allocates a portion of the regional $\frac{3}{4}$ cent transit sales tax, based on a formula, to replacement service providers (opt-outs) like SouthWest Transit. It is anticipated that other transit agencies will be collaborating on this or another similar bill as part of the legislative process.
- Oppose any legislation to eliminate replacement service providers (opt-outs) and fold them into Metro Transit.
- Recognize that SWT's lean model is distinct and ensure funding formulas reflect the efficient and innovative services we deliver.

Our Concerns with the Current Policy

In 2023, Minnesota Statutes 473.4465 dedicated a sustainable sales tax portion to the seven metro counties (17%) and Met Council (83%), with only a small one-time allocation to the opt-out transit providers. The Met Council has since directed additional resources to suburban providers, but the current structure remains insufficient and subject to change at any time by Met Council. This uncertainty creates challenges for agencies like SWT, which operate lean and effective systems but need predictability to continue delivering strong service. A formula-driven approach, similar to the Motor Vehicle Sales Tax (MVST) distribution, would provide the consistency needed to maximize efficiency and value for riders and taxpayers alike.

Why it Matters

- SWT is a bargain – our low overhead and high service investment ensure dollars go directly into transit services.
- Dedicated funding makes the regional system stronger and more equitable, expanding access for seniors, students, workers, and transit-dependent riders.
- By supporting HF3301/SF3498, legislators fuel economic growth, talent attraction, and a seamless transportation network that keeps the region competitive for decades to come.

Suburban transit proves that moving people efficiently also means moving the region forward.