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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To require that any State or local government that receive Federal funds to operate microtransit services enters into a contract with a private entity for the operation of such services, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mrs. BOEBERT introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To require that any State or local government that receive Federal funds to operate microtransit services enters into a contract with a private entity for the operation of such services, 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 “Private Sector Com-  
5       petition in Microtransit Act”.

1   **SEC. 2. FINDING.**

2           Congress finds that fostering competition and innova-  
3   tion in microtransit services benefits the public by improv-  
4   ing efficiency, service quality, and options for transpor-  
5   tation users.

6   **SEC. 3. PURPOSE.**

7           The purpose of this Act is to promote private sector  
8   engagement in microtransit services funded by Federal  
9   grants to State or local governments.

10   **SEC. 4. PROHIBITION ON CERTAIN DIRECT PROVISION OF**  
11                   **MICROTRANSIT SERVICES.**

12           (a) PROHIBITION.—No State or local government  
13   shall be eligible to receive Federal funds to be used for  
14   microtransit services unless the recipient contracts out the  
15   provision of such services to private sector entities through  
16   a competitive procurement process.

17           (b) COMPETITIVE PROCUREMENT PROCESS.—

18                   (1) TRANSPARENT PROCEDURES.—The com-  
19   petitive procurement process required under sub-  
20   section (a) shall—

21                           (A) adhere to fair and transparent proce-  
22                           dures; and

23                           (B) allows private sector companies to sub-  
24                           mit bids for the provision of microtransit serv-  
25                           ices.

1           (2) CRITERIA.—The criteria for selection under  
2 such process shall prioritize—

3                   (A) efficiency;

4                   (B) cost-effectiveness; and

5                   (C) overall quality of service.

6           (3) PRIORITY.—In selection a private sector  
7 company under such process, a State or local gov-  
8 ernment shall prioritize small or disadvantaged busi-  
9 nesses.

10          (4) PREFERENCE.—All competitive procure-  
11 ment processes under this subsection shall give pref-  
12 erence to any award to local operators able to meet  
13 the needs of the State or local government.

14          (5) WAIVER.—Upon request by a State or local  
15 government, the Secretary of Transportation may  
16 waive the local requirement under paragraph (4) to  
17 allow the State or local government to enter into a  
18 contract with an operator not located in the jurisdic-  
19 tion of the State or local government.

20          (6) PROVISION OF SERVICES.—A contract  
21 awarded to a vendor in under this section—

22                   (A) may not be solely for providing soft-  
23 ware or technology capabilities; and

24                   (B) shall be for operation of the micro-  
25 transit services; and

1 (C) may only be awarded to entities with  
2 a proven history of directly providing micro-  
3 transit services.

4 **SEC. 5. REPORTING REQUIREMENTS.**

5 (a) CERTIFICATION.—Each State and local govern-  
6 ment that receives Federal funds to provide microtransit  
7 services shall certify to the Secretary of Transportation  
8 that such State or local government has contracted out  
9 the provision of such services to private sector entities in  
10 accordance with this Act.

11 (b) ANNUAL REPORT.—The Secretary of Transpor-  
12 tation shall submit to Congress an annual report detailing  
13 the extent to which State and local governments have com-  
14 plied with the requirements of section 4, including infor-  
15 mation on the competitive procurement process and out-  
16 comes.

17 **SEC. 6. NONCOMPLIANCE PENALTIES.**

18 (a) NOTIFICATIONS.—If the Secretary of Transpor-  
19 tation finds that a State or local government is in violation  
20 of the provisions outlined in section 4, the Secretary of  
21 Transportation shall notify the State or local government  
22 of the noncompliance and provide a reasonable period of  
23 time for corrective action.

24 (b) GRANT SUSPENSION.—In the event of continued  
25 noncompliance after such period, the Secretary may sus-

1 pend or withhold Federal funds allocated for microtransit  
2 services until such time as the government demonstrates  
3 compliance with this Act.

4 **SEC. 7. DEFINITION OF MICROTRANSIT.**

5 In this Act, the term “microtransit” means a flexible,  
6 on-demand public transportation option that uses smaller  
7 vehicles, such as vans or shuttles, to transport passengers  
8 along dynamic or fixed routes within a specific service  
9 area.

10 **SEC. 8. RULEMAKING AUTHORITY.**

11 The Secretary of Transportation may issue such rules  
12 and regulations as are necessary to implement this Act.

13 **SEC. 9. EFFECTIVE DATE.**

14 This Act shall take effect 180 days after the date of  
15 enactment of this Act.