To amend title 49, United States Code, to allow certain urbanized areas with a population of over 200,000 to be eligible under the small transit intensive cities formula, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Transit Communities Modernization Act”.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Small Transit Communities Modernization Act”.

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SEC. 2. ELIGIBLE AREA.

Section 5336(i) of title 49, United States Code, is amended—

(1) in paragraph (1) by striking subparagraph (A) and inserting the following:

“(A) ELIGIBLE AREA.—

“(i) IN GENERAL.—Except as provided in clause (ii), the term ‘eligible area’ means an urbanized area with a population of less than 200,000 that meets or exceeds in one or more performance categories the industry average for all urbanized areas with a population of at least 200,000 but not more than 999,999, as determined by the Secretary in accordance with subsection (c)(2).

“(ii) EXCEPTION.—For any fiscal year beginning after the date of enactment of the Small Transit Communities Modernization Act through fiscal year 2030, with respect to a transit agency that served an urbanized area determined by the 2010 census to have had a population of less than 200,000, the term ‘eligible area’ shall include an urbanized area that—
“(I) was determined to be an urbanized area with a population of at least 200,000 but not more than 999,999, according to the most recent decennial census; and

“(II) met or exceeded one or more of the performance categories described in subparagraph (B) in each of the 3 years prior to the year in which the apportionment is provided.”; and

(2) by adding at the end the following:

“(3) CENSUS PHASE-OUT.—Before apportioning funds under subsection (h)(3), for any urbanized area that is no longer an eligible area due to a change in population in the most recent decennial census, the Secretary shall apportion to such urbanized area, for 3 fiscal years, an amount equal to half of the funds apportioned to such urbanized area pursuant to this subsection for the previous fiscal year.”.