



General Assembly

February Session, 2026

Committee Bill No. 9

LCO No. 1581



Referred to Committee on TRANSPORTATION

Introduced by:
(TRA)

AN ACT SUPPORTING COMMUTERS AND MICROTRANSIT SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-217s of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage and*
3 *applicable to income years commencing on or after January 1, 2026*):

4 There shall be allowed as a credit against the tax imposed on any
5 corporation under this chapter which participates in the traffic
6 reduction program established under section 13b-38p, as amended by
7 this act, and conducted in this state, except corporations employing
8 fewer than [one hundred] five employees, with respect to any taxable
9 year of such corporation commencing on or after January 1, 1997, an
10 amount equal to fifty per cent of the amount spent in this state by such
11 corporation, on or after January 1, 1995, for the direct costs of traffic
12 reduction programs and services related thereto conducted in this state
13 by such corporation in response to the provisions of sections 13b-38o, as
14 amended by this act, 13b-38p, as amended by this act, 13b-38t, 13b-38v,
15 as amended by this act, and 13b-38x, as amended by this act, not to
16 exceed two hundred fifty dollars annually per employee employed in

17 this state and participating in alternative means of commuting pursuant
18 to traffic reduction programs conducted in this state. The total amount
19 of credits available under the provisions of this section shall not exceed
20 one million five hundred thousand dollars. The Department of
21 Transportation shall adopt regulations, in accordance with the
22 provisions of chapter 54, which shall include, but need not be limited to,
23 establishing procedures for a corporation to obtain and qualify for the
24 tax credit.

25 Sec. 2. Section 13b-38o of the general statutes is repealed and the
26 following is substituted in lieu thereof (*Effective July 1, 2026*):

27 For the purposes of sections 13b-38o, as amended by this act, 13b-38p,
28 as amended by this act, 13b-38t, 13b-38v, as amended by this act, and
29 13b-38x, as amended by this act, the following definitions shall apply
30 unless otherwise provided by federal law or regulation:

31 [(1) "Affected employer" means an employer, or its successor, which
32 employs one hundred or more employees at a work location located in
33 a severe nonattainment area. For the purposes of this subdivision, the
34 number of employees shall be the average number of employees per
35 work location during the preceding twelve months;]

36 [(2)] (1) "Clean Air Act" means the federal Clean Air Act, 42 USC
37 Section 7401 et seq., as may from time to time be amended;

38 [(3)] (2) "Employee" means any person employed by, or who enters
39 into a direct contract for services with, an employer for eighty or more
40 hours per twenty-eight-day period in a full-time or part-time position,
41 who reports to the employer's work location and either (A) is assigned
42 primarily to such employer's work location, or (B) uses a mode of
43 transportation to perform such person's job responsibilities other than
44 the vehicle in which such person commuted to the employer's work
45 location;

46 [(4)] (3) "Employer" means any person, firm, business, educational

47 institution, nonprofit agency, corporation, limited liability company, the
48 state, any political subdivision of the state, any governmental agency, or
49 any other entity which employs persons;

50 [(5) "Severe nonattainment area" means the geographic area in
51 Connecticut designated as such by the federal Environmental Protection
52 Agency pursuant to the Clean Air Act;]

53 [(6)] (4) "Traffic reduction program" means a program established
54 under section 13b-38p, as amended by this act, in which any [affected]
55 employer may participate; and

56 [(7)] (5) "Work location" means a site, building, group of buildings or
57 set of contiguous buildings or portion thereof, under the ownership,
58 operation or control of an [affected] employer where employees
59 perform work.

60 Sec. 3. Section 13b-38p of the general statutes is repealed and the
61 following is substituted in lieu thereof (*Effective October 1, 2026*):

62 There is [hereby] established a voluntary traffic reduction program in
63 order to achieve the goals of the Clean Air Act. Any [affected] employer
64 which elects to participate in such program shall submit a plan and an
65 annual update to the Commissioner of Transportation. Such plan shall
66 describe the measures to be implemented to (1) reduce single occupancy
67 vehicle trips to and from the work location of such employer, (2)
68 encourage the use of public transportation to and from the work
69 location of such employer, and [to] (3) relieve traffic congestion. Any
70 [such affected] employer which elects to participate in the program shall
71 be eligible for a tax credit pursuant to the provisions of section 12-217s,
72 as amended by this act, and assistance pursuant to section 13b-38v, as
73 amended by this act, provided such plan has been approved by the
74 commissioner.

75 Sec. 4. Section 13b-38v of the general statutes is repealed and the
76 following is substituted in lieu thereof (*Effective July 1, 2026*):

77 Any moneys received by the state pursuant to a congestion
78 mitigation and air quality grant under the Transportation Equity Act for
79 the 21st Century shall be credited to the Special Transportation Fund,
80 established pursuant to section 13b-68. Such moneys shall be expended
81 as follows: (1) Not less than seventy per cent of the total amount of such
82 moneys received by the state pursuant to said grant shall be expended
83 on eligible projects in [the] areas designated as severe nonattainment
84 [area] areas by the federal Environmental Protection Agency pursuant
85 to the Clean Air Act to accomplish the mandates of the Clean Air Act.
86 Such expenditures shall include, but not be limited to: (A) Providing
87 technical information to [affected] employers participating in the traffic
88 reduction program, (B) providing support and assistance to [affected]
89 employers participating in the traffic reduction program in developing
90 and implementing a traffic reduction plan, or (C) expenditures which
91 reflect the needs identified by employers in their traffic reduction plans
92 submitted pursuant to section 13b-38p, as amended by this act. Not less
93 than ten per cent of such funds allocated under this subdivision shall be
94 expended on projects to increase the availability of parking at railroad
95 stations along the New Haven commuter railroad line or improvements
96 to the New Haven line railroads, and (2) not less than twenty-five per
97 cent of the total amount of such moneys received by the state pursuant
98 to said grant shall be expended on eligible projects to accomplish the
99 goals of section 13b-38p, as amended by this act, and the Clean Air Act
100 which shall include, but not be limited to: (A) Traffic reduction
101 programs or activities, (B) vanpool and shuttle service, (C) electric
102 vehicle demonstrations, (D) programs guaranteeing rides home for
103 transit and vanpool users, (E) the conversion of vehicles to alternative
104 fuel vehicles, as defined in section 12-217i, (F) shuttle connections to rail
105 or express bus service, (G) planning for transit-oriented development,
106 (H) facilities for pedestrians or other nonmotorized means of
107 transportation, (I) signal modifications to provide priority to buses, and
108 (J) improvements to the New Haven line railroads.

109 Sec. 5. Section 13b-38x of the general statutes is repealed and the
110 following is substituted in lieu thereof (*Effective July 1, 2026*):

111 The Commissioner of Transportation, in consultation with the
112 Commissioner of Energy and Environmental Protection, shall adopt
113 regulations, in accordance with the provisions of chapter 54, to
114 implement the provisions of section 13b-38p, as amended by this act.
115 Such regulations shall include, but need not be limited to (1) measures
116 an [affected] employer may take to reduce single occupancy vehicle
117 trips to and from its work location and to encourage its employees to
118 consider alternative means of commuting, such as using public
119 transportation, and (2) guidelines for the preparation and submission of
120 reports pertaining to the traffic reduction program of such employer.

121 Sec. 6. (*Effective from passage*) The Commissioner of Transportation
122 shall, in consultation with chambers of commerce, community-based
123 organizations and business advocacy organizations, develop and
124 implement a public awareness campaign to inform employers who elect
125 to participate in the traffic reduction program established under section
126 12-217p of the general statutes that they may be eligible for a tax credit
127 pursuant to section 12-217s of the general statutes, as amended by this
128 act, and assistance pursuant to section 13b-38v of the general statutes,
129 as amended by this act.

130 Sec. 7. Subsection (a) of section 13b-61 of the general statutes is
131 repealed and the following is substituted in lieu thereof (*Effective October*
132 *1, 2026*):

133 (a) On and after July 1, 1975, there shall be paid promptly to the
134 Treasurer and thereupon, unless required to be otherwise applied by the
135 terms of any lien, pledge or obligation created by or pursuant to the 1954
136 declaration or part III (C) of chapter 240, credited to the General Fund:

137 (1) All moneys received or collected by the state or any officer thereof
138 on account of, or derived from, motor fuel taxes; provided on and after
139 July 1, 1983, one cent of the amount imposed per gallon before July 1,
140 1984, and received or collected from any rate of such tax on motor fuels
141 shall be credited by the Treasurer to the Special Transportation Fund;

142 (2) All moneys received or collected by the state or any officer thereof
143 on account of, or derived from, motor vehicle taxes;

144 (3) All moneys received or collected by the state or any officer thereof
145 on account of, or derived from, expressway revenues;

146 (4) All moneys becoming payable, under the terms of the 1954
147 declaration and part III (C) of chapter 240, into the Highway or
148 Additional Expressway Construction Funds mentioned in said
149 declaration;

150 (5) All moneys received or collected by the state or any officer thereof
151 on account of, or derived from, highway tolls;

152 (6) All other moneys received or collected by the Commissioner or
153 Department of Transportation, including, but not limited to, money
154 received from leasing any part of the department's real property rights,
155 including air rights; and

156 (7) Any other receipts of the state required by law to be paid into the
157 state Highway Fund or the Transportation Fund other than proceeds of
158 bonds or other securities of the state or of federal grants under the
159 provisions of federal law.

160 Sec. 8. (*Effective October 1, 2026*) Not later than January 1, 2027, the
161 Commissioner of Transportation shall submit a report, in accordance
162 with the provisions of section 11-4a of the general statutes, to the joint
163 standing committee of the General Assembly having cognizance of
164 matters relating to transportation, detailing (1) the status of sites
165 identified as opportunities for transit-oriented development, as defined
166 in section 13b-79o of the general statutes, (2) the timelines associated
167 with response for proposals regarding transit-oriented development,
168 including reviewing and evaluating the responses to such proposals,
169 and (3) an estimate of the number of housing units associated with such
170 opportunities for transit-oriented development.

171 Sec. 9. Section 23 of public act 22-40 is amended to read as follows

172 (Effective July 1, 2026):

173 (a) As used in this section, "microtransit" means transportation by a
 174 multipassenger vehicle that uses a digital network or software
 175 application service to offer fixed or dynamically allocated routes and
 176 schedules in response to individual or aggregate consumer demand.

177 (b) The Commissioner of Transportation shall establish a [two-year]
 178 three-year pilot program to test microtransit services in the state,
 179 including rural areas not currently served by public transportation. The
 180 commissioner may enter into agreements with third parties to provide
 181 such services.

182 (c) Not later than January 1, [2025] 2028, the commissioner shall
 183 submit a report on the implementation of the pilot program and any
 184 recommendations concerning the future deployment of microtransit
 185 services in the state, to the joint standing committee of the General
 186 Assembly having cognizance of matters relating to transportation, in
 187 accordance with the provisions of section 11-4a of the general statutes.

188 Sec. 10. (Effective July 1, 2026) The sum of nine million dollars is
 189 appropriated to the Department of Transportation from the Special
 190 Transportation Fund, for the fiscal year ending June 30, 2027, for the
 191 continuation of the pilot program to test microtransit services in the
 192 state established pursuant to section 23 of public act 22-40, as amended
 193 by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to income years commencing on or after January 1, 2026</i>	12-217s
Sec. 2	<i>July 1, 2026</i>	13b-38o
Sec. 3	<i>October 1, 2026</i>	13b-38p
Sec. 4	<i>July 1, 2026</i>	13b-38v
Sec. 5	<i>July 1, 2026</i>	13b-38x

Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>October 1, 2026</i>	13b-61(a)
Sec. 8	<i>October 1, 2026</i>	New section
Sec. 9	<i>July 1, 2026</i>	PA 22-40, Sec. 23
Sec. 10	<i>July 1, 2026</i>	New section

Statement of Purpose:

To provide funding for on-demand microtransit services in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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