

# Shared Mobility Provisions in the 2023 Transportation Bill

#### Omnibus Transportation Bill Overview

- Chapter 68 was signed into law on May 24, 2023
- The law contains numerous funding and policy provisions that affect shared mobility, including:
  - New statutory definitions
  - New sources of revenue
  - Direct appropriations, rebates, and tax relief for shared mobility modes
  - Climate mitigation requirements and other policy changes



# Statutory Definitions

- Electric-assisted bicycle
- Micromobility device
- Micromobility facilities
- Shared electric vehicle facility





# Funding – Regional Sales Tax

- A 0.75% sales tax is imposed within the seven-county metropolitan region.
  - 83% of revenue is allocated to the Metropolitan Council
  - 17% is allocated to the seven counties in the region.

- The Metropolitan Council
  - Must use 5% of their share for active transportation
  - Must use 95% of their share for transit system purposes.
  - The Council is directed to make specific grants to suburban transit providers for their microtransit service (next slide)



# Funding – Microtransit

- The regional sales tax must pay for:
  - SouthWest Transit:
    - \$3M for vehicle, infrastructure, and capital costs
  - Maple Grove Transit:
    - \$200K for vehicle costs
  - MN Valley Transit Authority:
    - \$2.3M for vehicles
    - \$3.5M for infrastructure and capital costs



# Funding – Regional Sales Tax

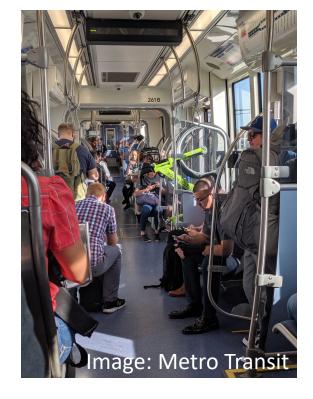
- Counties must use their portion of the sales tax revenue for:
  - Transit purposes (e.g. microtransit)
  - Complete streets projects
  - Activities that mitigate climate impacts of other transportation projects (e.g. shared mobility operations and infrastructure)





### Funding – MVST Increase

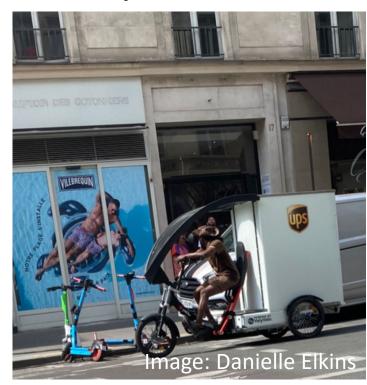
- The Motor Vehicle Sales Tax (MVST) rate has been increased to 6.875%
- The distribution formula for these revenues is now:
  - 60% to the HUTDF
  - 34.4% for transit in the metropolitan region
- 5.7% for Greater MN
  Transit
  Shared Mobility



# Funding – Retail Delivery Fee

- \$0.50 fee imposed on retail deliveries over \$100
- Several exemptions included in the legislation
- Funds are deposited into the Transportation Advancement Account (TAA)
- Estimated to generate \$59 million in FY25





# Funding – Transportation Advancement Account (TAA)

- Revenue comes from the retail delivery fee and a portion of the tax on auto parts
- Includes an allocation for cities over 5,000 in population with flexibility to spend on any transportation purpose, including shared mobility
- Other recipients of TAA funds include counties, small cities, townships, and a food delivery support account



### Tax Exemption for nonprofit carsharing

- Minnesota Statutes 2022, § 297A.64 has been amended to exempt nonprofit carshare providers from the 9.2% tax on rental cars.
- Companies impacted includes Evie Carshare and HOURCAR





# Appropriations

- City of Rochester, Demand Transit Service using electric transit vehicles (\$250,000)
- Electric assisted bicycle rebate (\$4 million)
- Rice Street Capitol Area Redesign and Mobility Hub (\$25 million)
- New state fund to support carsharing in disadvantaged communities (\$500,000)



# Right of Way Uses

 Advertising, public art, and informational signage is allowed on micromobility facilities and shared electric vehicle facilities if certain conditions are met.





# Greenhouse Gas Mitigation Policy

- Law requires a transportation GHG emissions impact assessment for major trunk highway construction or reconstruction projects.
- Mitigating actions are required to offset a project's climate impacts if projects don't meet state GHG emissions targets or VMT reduction targets.
- Examples of shared mobility mitigation actions:
  - Transit expansion and service improvements
  - Micromobility infrastructure and service
  - Transportation demand management



# GHG Emissions Impact Mitigation Working Group

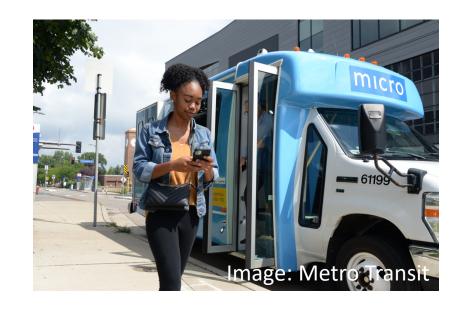
- MnDOT directed to convene a working group to:
  - Assist with the development of a process for GHG impact assessment
  - Develop an impact mitigation plan
  - Consider funding options for mitigation activities
  - Consider alternative mitigation options





# Post-COVID Public Transportation Study

- Metropolitan Council is directed to pay for the UMN's Center for Transportation Studies (CTS) to examine public transportation after the COVID-19 pandemic.
- Due to the legislature October 1, 2024





#### Links/Resources

Chapter 68

**Budget Tracking Spreadsheet** 

Bike MN info on e-bike rebate program

Metropolitan Council's Session Review

MnDOT Electric Vehicle Infrastructure Plan





# Thank you! For more information, please visit mnsharedmobility.org

Created by: Mike Lund, Metro Cities

Meredith Klekotka, Metro Transit

