Background – the issues

- Declining relationship between revenue collected from gas tax and vehicle miles traveled
- More fuel efficient vehicles and more electric vehicles
- Gas tax is extremely efficient to collect (collection costs of .25%)
Transportation trends

• More electric vehicles
• Introduction of Autonomous Vehicles
• Increasing prominence of Shared Mobility

Distance-Based User Fees

• Collect a charge per mile traveled versus per gallon purchased
• Results in collection from millions of vehicles rather than around a dozen gasoline distributors
  – Higher administrative costs
  – Increased barriers
    • Privacy
    • Technology
    • Equity
A different approach – Shared Mobility

- Simplifies collection to only a handful of providers
- Technology is already installed in vehicles
- Information is already collected by apps and vehicles.
  - Tracking of miles traveled is seen as a feature
- Users already opt in to tracking my using these services

**CURRENT**

**INDIVIDUAL OWNERSHIP**

**PERCEPTION**

“My car, my privacy. No mileage tracking.”

**RELATIONSHIP WITH TRANSPORTATION**

“My vehicle serves me.”

**USER PAYS**

GAS TAX

**EMERGING**

**SHARED MOBILITY**

**PERCEPTION**

“Using my smartphone I’m tracking a car I will use as I need it”

**RELATIONSHIP WITH TRANSPORTATION**

“A fleet of vehicles serve my community.”

**USER PAYS**

USER BASED FEE PER MILE
The project

• What if we applied a distance-based user fee to shared mobility providers?

• Fee would be a supplement, not a replacement of the gas tax
• Research will include collecting the opinions of stakeholders including potential riders
• End goal is for a demonstration program to be conducted

The Stakeholders

• Special Interest Groups
  – Association of Minnesota Counties
  – League of Minnesota Cities
  – AAA
  – Move Minnesota (transit representative)
• Elected Officials
  – Senators and Representatives from both political parties
• Government Officials
  – Staff from Department of Public Safety
  – Staff from Metropolitan Council
Barriers - Privacy

• Elected officials concerned about tracking individuals and the miles they travel
  – Did not believe that geographic locations should be tracked and stored
• Reflected on distrust of government collecting and tracking that information while maybe people wouldn’t be as concerned about a private company

Barriers – Public Acceptance

• Issue of privacy enough to stop project
• Lack of trust in government tracking information
• Wariness of new/different forms of taxation
• Increased collection costs could be significant enough to prevent implementation
Considerations - Equity

• Equity means different things to different people
• Potential issues brought up
  – Fairness between rural and urban drivers
  – Fairness to electric or high gas mileage vehicle drivers
  – Impact on low income drivers

Considerations – Funding Dedication

• Consensus that money collected should be used for transportation projects and not general revenue
• Counties want to continue to receive funding from state
• Transit representative want to make sure transit projects are under consideration
• Cities are interested in being compensated for the miles users drive on their system
Overall Takeaways – Positive Response

- Consensus on need to do something about funding
- Interested in learning more about a shared mobility approach to distance-based user fees
- Positive reaction to approach to limiting administrative costs and potentially gaining public acceptance
- Positive reaction to concept project is a supplement and not a replacement
- No opposition to a demonstration project but more information is needed before a full implementation

Overall Takeaways – Issues Must Be Addressed

- Privacy remains a huge barrier and must be addressed
  - Geographic location
  - Mileage tracking information
- Equity could be an issue for some groups
- More information is needed before a full scale implementation
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