

# UC Berkeley

## Policy Briefs

### **Title**

Shared Mobility Policies for California

### **Permalink**

<https://escholarship.org/uc/item/83b2n13t>

### **Journal**

ITS Berkeley Policy Briefs, 2018(03)

### **Authors**

Shaheen, Susan, PhD  
Cohen, Adam

### **Publication Date**

2018

### **DOI**

10.7922/G2VX0DP9

# Shared Mobility Policies for California

Susan Shaheen, PhD and Adam Cohen  
 tsrc.berkeley.edu • innovativemobility.org

## KEY TAKEAWAYS

The Legislature should consider amending California Environmental Quality Act (CEQA) when projects include shared modes with documented reductions in vehicle miles traveled, vehicle trips, or GHG emissions.

The extension of zero emission vehicle (ZEV) credits to shared mobility operators may accelerate the exposure of zero emission vehicles (ZEVs) to the general population.

“Local and state statutes, regulations, and policies can have notable impacts on the success and viability of shared mobility in California.”

## TOPIC/ISSUE

### Developing Shared Mobility Policies for California in the Short- and Mid-Term

In recent years, economic, environmental, and social forces have quickly given rise to the “sharing economy,” a collective of entrepreneurs and consumers leveraging technology to share resources, save money, and generate capital. Shared mobility—the shared use of a vehicle, bicycle, or other low-speed travel mode—is an innovative transportation strategy that enables users to have short-term access to a transportation mode on an as-needed basis (1). Business-to-consumer services, such as Zipcar and car2go, and peer-to-peer carsharing and shared ride services, such as Getaround, Turo, Lyft, and Uber, have become part of a sociodemographic trend that has pushed shared mobility from the fringe to the mainstream. Local, regional, and state laws, ordinances, codes, zoning, and environmental policies can have unintended impacts on the success and viability of shared mobility in California (2).



## RESEARCH FINDINGS

One national study of shared mobility revealed, from interviews and a literature review, common ways local, regional, and state policies impact shared mobility including (2):

- **Public Rights-of-Way:** Numerous procedures focus on managing public rights-of-way, which allow the passage of people and goods, along public and sometimes private property (typically through licenses and easements). Local governments and public agencies can implement formal and informal policies to allocate public rights-of-way, such as curb space and parking.
- **Land Use (Zoning and Parking):** California governments can also implement an array of policies aimed at easing zoning regulations and parking minimums to promote the inclusion of shared mobility in new developments.
- **Zoning:** Policies that allow increased density include greater floor-to-area ratios, more dwelling units permitted per acre, and greater height allowances for the inclusion of shared mobility into developments.
- **Parking:** Common parking policies include parking reductions (downgrading the required number of spaces in a new development) and parking substitution (substituting general use parking for shared modes).



## RESEARCH FINDINGS (continued)

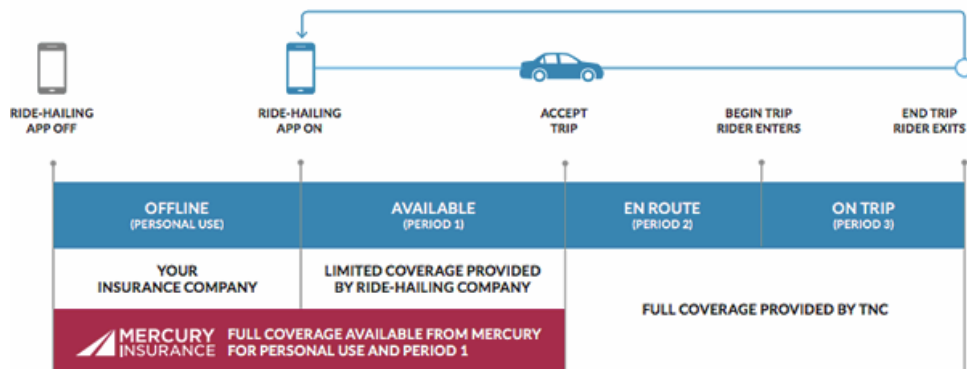
- Insurance: Insurance regulations can make shared modes cost prohibitive or they can ban operations in a jurisdiction altogether. Common insurance policies impacting shared mobility include provisions for peer-to-peer carsharing insurance and insurance coverage for, for-hire vehicle services, such as ridesourcing/transportation network companies (TNCs) and taxis.
- Taxation: Taxing shared mobility can raise end-user service costs. Four types of taxes that are levied on shared modes include:
  1. State, county, and municipal sales taxes applied to shared mobility (e.g., percentage-based taxes on sales or receipts from sales);
  2. Rental car taxes (e.g., state and local percentage-based taxes on the transaction value of a vehicle rental);
  3. Transaction fees and per-use excise taxes (e.g., a fixed-rate tax or fee applied to a transaction); and
  4. Miscellaneous taxes applied to shared mobility (e.g., percentage-based and fixed-rate taxes used to fund public transportation and special projects, such as convention centers and arenas).

Tax Type	State, county, municipal sales taxes	State, local transaction taxes	Transaction fees/ per-use excise tax	Miscellaneous
Description	Applied to shared mobility services	Percentage-based tax applied to rental car transaction value	Fixed-rate tax or fixed fee per transaction	Percentage-based, fix-rate taxes applied to shared mobility to fund projects and public transportation

## APPROACH

Definition of Transportation Network Companies (TNCs): In 2013, the California Public Utilities Commission defined a TNC as for-hire ride services that use drivers' private vehicles and are facilitated through smartphone apps or similar online platforms (e.g., Lyft, Uber).

- Insurance for TNCs: AB 2293 established new insurance limits for on-demand ride services and prohibits private auto insurance from subsidizing commercial activities. The law requires \$200,000 of insurance coverage during the “app-on-to-match” period and \$1 million primary coverage from the time a driver accepts a match until the passenger exits the vehicle.



TNC Insurance Coverage,  
 Source: Uber

## APPROACH (continued)

- Insurance Provisions for Personal Vehicle Sharing:** AB 1871 revised California's insurance laws to cover peer-to-peer mobility services and require companies to provide vehicle liability insurance and assume liability in the event of loss or injury while a vehicle is in use by these services. The law also prohibits a vehicle owner's liability insurer from canceling a policy or reclassifying use from a private passenger motor vehicle to a commercial-use vehicle because of its placement in a personal vehicle sharing program.
- Zero Emission Vehicle (ZEV) Transportation System Credits:** In 2001, the California Air Resources Board (ARB) adopted incentives for ZEVs placed into shared mobility fleets. This policy is set to expire in 2018. As such, carsharing services have been a mechanism for introducing people to ZEVs and the possible purchase of a low-emission vehicle due to exposure to this technology (3).



## CONCLUSIONS AND RECOMMENDATIONS

Incorporating shared mobility into existing environmental and planning policy may help California agencies achieve greenhouse gas (GHG) reduction targets.

- Shared mobility** is one strategy that **could aid local governments in achieving AB32** (Climate Change Legislation focused on 2020), SB32 GHG (focused on 2030) emission targets, and compliance with SB 743 (emphasizes vehicle miles traveled (VMT) reductions).
- Under SB 375, each metropolitan planning organization (MPO) must prepare a sustainable communities strategy (SCS) as part of the regional transportation plan (RTP) process. **Incorporating shared mobility into a regional SCS may help MPOs achieve GHG reductions** by reducing motor vehicle trips.
- ARB should consider extending the ZEV transportation systems incentive credits for shared mobility operators** to accelerate the exposure of ZEVs to the general population.
- The Legislature should consider **amending CEQA to allow a mitigated negative declaration for projects incorporating shared mobility**, where the shared modes incorporated have been documented through research to reduce VMT, vehicle trips, or GHG emissions.
- The Governor's Office of Planning and Research should consider **revising General Plan Guidelines to provide guidance for incorporating shared mobility** into circulation elements.

### References

- Shaheen, S.; Cohen, A.; and Zohdy, I. (2016). Shared Mobility: Current Practices and Guiding Principles. FHWA Report 16-022. U.S. Department of Transportation: Washington, D.C.
- Cohen, A. and Shaheen, S. (2016). Planning for Shared Mobility. Planning Advisory Service Report 583. American Planning Association: Chicago.
- "Zero- and Low-Emission Vehicles in U.S. Carsharing Fleets: Impacts of Exposure on Member Perceptions." 2017. Innovative Mobility Research.

*This policy brief was generously funded by the State of California Public Transportation Account.*