# **TDM Update: Commuter Tax Benefit Ordinance**

Planning and Programming Committee June 19, 2019 Legistar File #: 2019-0448



### **Countywide Commuter Tax Benefit Ordinance**

- AB 2548 Grants Metro the Authority to Write and Implement a Commuter Tax Benefit Ordinance
  - Requires employers of 50-249 employees to offer employees the option to use pre-tax dollars to pay for transit and vanpool costs (\$265 per month under Federal Tax Law for 2019)
  - Currently, all employers may optionally offer this benefit
  - Employers must comply within 6 months or Ordinance adoption
  - Employers will have one full year of compliance before an enforcement options are implemented
- Employers complying with a City ordinance will be deemed in compliance
  Metro

### **Metro's Obligations Under AB2548**

- Any Commuter Tax Benefit Ordinance Metro writes must include:
  - How Metro will inform covered employers about the ordinance
  - How compliance will be demonstrated
  - The procedures for proposing, and the criteria that will be used to evaluate an alternative commuter benefit program
  - Any consequences for noncompliance
- Report to the State by January 2022
  - A description of the program including any compliance issues
  - The number of employers complying that did not previously offer a benefit
  - The number of employees who changed their commute because of the benefit
  - The reductions in vehicle miles traveled (VMT) and Greenhouse Gas Emissions (GHG)





# **Commuter Tax Benefit Ordinance Outreach Efforts**

#### Pre-ordinance outreach:

 Staff reached out to Transportation Management Associations, cities and business organizations for comments before drafting the legislation (AB2548).

#### Solicit Feedback from Area Stakeholders:

- Cities: All 88 cities in the county via focus groups and survey
- Employers: 15,000 employers through Sales Force
- Commuters: 200,000 Downtown commuters via FASTLINK DTLA
- Transportation Management Associations: Focus Group

#### Presentations:

 Association for Commuter Transportation (ACT): A presentation was given at the ACT California Regional Conference in Universal City in May 2019, which had approximately fifty medium and large employers in attendance.





### **Transportation Options Outreach**

This outreach plan is designed to give commuters, employers and local jurisdictions the information and support necessary to encourage commute behavior change.

- Staff developed an outreach program that will include the following:
  - Revise Metro Commute Services webpage with commuter tax benefit information and interest form
  - Outreach to the 1,300 employers in the Metro Shared Mobility and Business Pass Programs
  - Digital marketing surveys (Facebook, etc.)
  - Outreach to third party benefits providers to connect with employers
  - Partnerships with Chambers of Commerce, cities, local transit agencies, COGS, vanpool and mobility providers to help provide outreach and information to employers
  - Metro marketing campaign targeted to employers
  - Metro marketing campaign targeted to employees





# **Timeline for Ordinance Implementation**

- June December 2019
  - Extensive pre-ordinance outreach to employers and employees
  - Beta testing of website
- First Half of 2020
  - Ordinance passed by the Metro Board (target date January 2020)
  - Continue outreach
  - Ordinance goes into effect (target date June 2020)
  - Employers will be notified to comply
  - Continue outreach
  - Violation penalties will not be issued for the first year
- Year 2021
  - In Year Two violation penalties will begin to be issued
  - Metro will evaluate effectiveness of ordinance
  - Prepare data from Year One for report back to the State
- December 2021
  - Report back to the State as required in AB2548



