

S.F. No. 671 – Disadvantaged Community Carsharing Grant (1st Engrossment)

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Date: March 13, 2023

S.F. 671 modifies the rental motor vehicle tax to fund the creation of a disadvantaged communities carsharing grant account.

Section 1 [Disadvantaged communities car sharing grant account] creates the disadvantaged communities carsharing grant account in the special revenue fund. Directs the commissioner to administer the grant program and provide grants to nonprofit organizations offering carsharing services in disadvantaged communities. Grant recipients may use funds for capital and operational costs. Eligible recipients must be based in Minnesota and be either a nonprofit organization or nonprofit carsharing operator, with nonprofit carshare operators given preference. Provides that transportation management organizations are not eligible.

Section 2 [Rental motor vehicle tax exemption] exempts rented or leased vehicles owned, leased, or operated by a nonprofit carsharing organization from the rental motor vehicle tax. Effective for sales and purchases made after June 30, 2023.

Section 3 [Sales tax] clarifies the sales tax exemption for nonprofit carsharing organizations. Effective for sales and purchases made after June 30, 2023.

Section 4 [Transfer] transfers \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 from the general fund to the account established in **section 1**.