



# Bicycling Facility Funding

## Overview & Examples of Funding Sources from Other States

Katy Callon, Research Analyst, Transportation Interim Committee  
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## Introduction

There are many different approaches to funding for bicycle facilities. The purpose of this report is to provide a review of funding models for bicycle facility construction and maintenance from other states.

## Costs

According to a report from the [Transportation Research Board](#), there are typically two major categories of costs for bicycle facility projects: capital costs and operating costs.

Capital costs tend to be **one-time-only** in nature and are primarily for construction of the infrastructure; operating costs, on the other hand, are **ongoing** and include maintenance activities. It's important to understand this distinction because both must be considered when looking at bicycle facility funding.

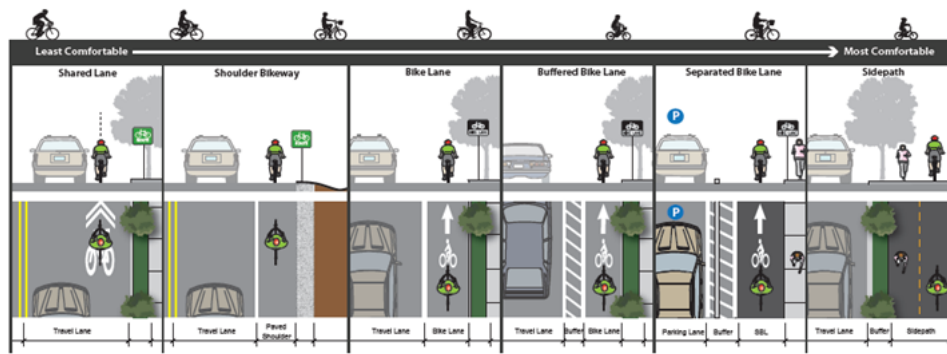
For bicycle facilities, these two categories may include the following costs in the table below:

Potential Capital Costs	Potential Operating Costs
<ul style="list-style-type: none"> <li>- Construction</li> <li>- Installation</li> <li>- Design</li> <li>- Procurement</li> <li>- Real Estate</li> <li>- Additional costs depend on facility is on-street vs. off-street/separated</li> </ul>	<ul style="list-style-type: none"> <li>- Snow removal, ice control</li> <li>- Sweeping, cleaning</li> <li>- Storm drain maintenance</li> <li>- Pavement / Signage Maintenance</li> <li>- Landscaping</li> </ul>

## Facilities

Bicycle facility types depend on a variety of factors. Bicyclists have varying levels of comfort with riding on the road compared to separate facilities.

The graphic below shows different types of facilities and the relative level of comfort provided for cyclists. Different types of facilities may require different levels of funding for both one-time-only capital costs, plus ongoing maintenance costs.



Source: Alta Planning + Design

## 2019 Montana Pedestrian and Bicycle Plan



Bikers along Hwy 200

## Case Studies

Below are pictures of several bike facility types from Small Town and Rural Multimodal Networks Report from the US. Department of Transportation's Federal Highway Administration.



This is an example of shared bike lane in the town of Ennis, Montana.

# CASE STUDY | BIKE LANE Lyndonville, Vermont

## PROJECT DESCRIPTION



This picture shows a buffered bike lane in the village of Lyndonville, Vermont.



## CASE STUDY | SIDEPATH

## Ennis, Montana

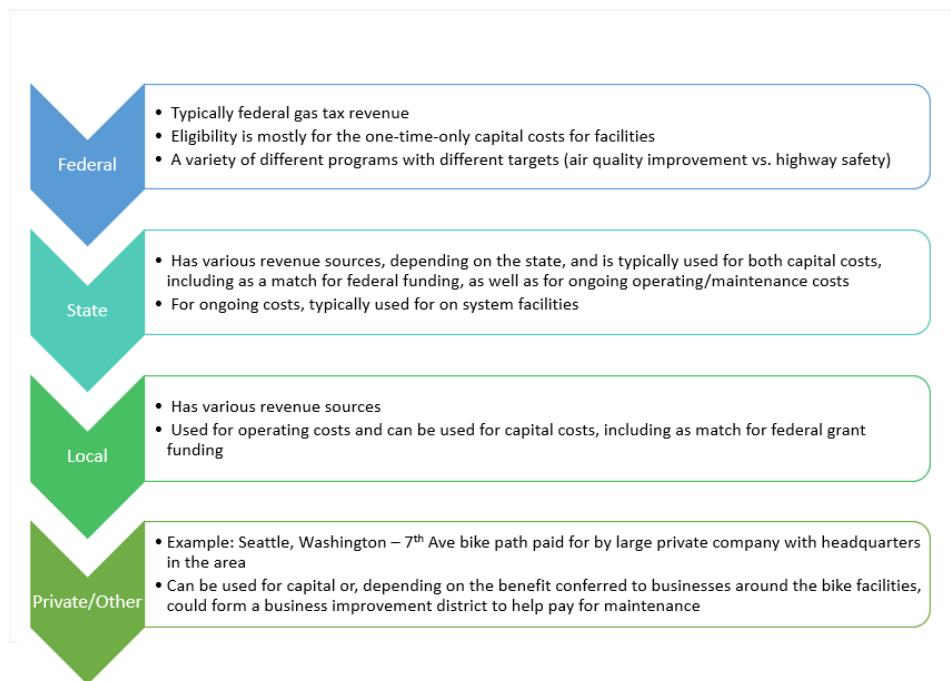
## PROJECT DESCRIPTION



This picture shows a bike side path in the town of Ennis, Montana.

## Funding

For both capital and operations/maintenance costs, it can be helpful to think of the source of funding for those expenditures in terms of four primary sources: federal, state, local, and private/other.



Road Bicyclists in Missoula

## Federal Funding

Federal funding is a primary source of funding for bicycle facilities, particularly for capital costs. There are a variety of different programs with eligibility for bicycle infrastructure. With the passage of the Infrastructure Investment and Jobs Act (IIJA) in November 2021, the number of programs has increased.

The U.S. Department of Transportation has a table available indicating bicycle and pedestrian infrastructure funding opportunities and activities.

**Pedestrian and Bicycle Funding Opportunities: U.S. Department of Transportation Highway, Transit, and Safety Funds**  
November 16, 2023

This table indicates likely eligibility for pedestrian and bicycle activities and projects under U.S. Department of Transportation surface transportation funding programs. Activities and projects need to meet program eligibility requirements. See notes and basic program requirements below, with links to program information. Project sponsors should integrate the safety, accessibility, equity, and convenience of walking and bicycling into surface transportation projects.

Activity or Project Type	Pedestrian and Bicycle Funding Opportunities: Highway, Transit, and Safety Funds																									
	Federal Highway Administration													Federal Lands												
	AT	TP	BR	CRP	MA	HS	IS	BU	CF	NP	PROT	STBG	TASA	RT	SR	TS	PL	AN	SR	EL	TH	TH	TP	IN	RA	RAISE
Access enhancements to public transportation (benches, bus pads, lighting)	\$	\$	\$								\$	\$	\$										\$	\$	\$	-\$
Americans with Disabilities Act (ADA)/504 Self Evaluation / Transition Plan	\$	\$										\$	\$	\$											\$	TA
Barrier removal for ADA compliance	\$	\$	\$								\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Bicycle plans	\$	\$										\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Bicycle helmets (project or training related)	-\$	\$										\$	SSRTS	\$												\$
Bicycle helmets (safety promotion)	-\$	\$										\$	SSRTS	\$												\$
Bicycle lanes on road	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bicycle parking (see Bicycle Parking Solutions)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bike racks on transit	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bicycle repair station (air pump, simple tools, electric outlets)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bicycle share (capital and equipment including charging stations and outlets; not operations)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bicycle storage or service centers (e.g. at transit hubs) including charging stations and outlets; not operations)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Bridges / overcrossings for pedestrians and/or bicyclists	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Bus shelters and benches	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Charging stations for electric bicycles and scooters NEW	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Coordinator positions: State/local (CMAQ/STBG limited)	\$	\$	\$									\$	SSRTS	\$											-\$	-\$
Community Capacity Building (develop organizational skills and processes)	-\$	\$												\$										NAE	-\$	TA
Crosswalks for pedestrians, pedestrian refuge islands (new or retrofit)	\$	\$	-\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Curb ramps	\$	\$	\$	-\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Counting equipment	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Data collection and monitoring for pedestrians and/or bicyclists	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Emergency and evacuation routes for pedestrians and/or bicyclists	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Encouragement and education activities related to safe access for bicyclists and pedestrians NEW	-\$	\$	\$	\$								\$	SSRTS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Historic preservation (pedestrian, bicycle, transit facilities)	-\$	\$										\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Landscaping, streetcapping (pedestrian/bicycle route, transit access); related amenities (benches, lighting, shade, trees, water fountains); usually part of larger project	\$	\$										\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Lighting (pedestrian and bicyclist scale associated with pedestrian/bicyclist project)	\$	\$	-\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Maps (for pedestrians and/or bicyclists) (see Idea Book)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$
Micromobility projects, including scooter share (capital and equipment, including charging stations and outlets; not operations)	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Paved shoulders for pedestrian and/or bicyclist use	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Pedestrian plans	\$	\$	\$									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-\$	-\$	-\$
Public education and awareness programs to inform motorists and nonmotorized road users on nonmotorized road user safety NEW	-\$	\$			\$							\$	SSRTS	\$												\$

## Pedestrian and Bicycle Funding Opportunities, US Department of Transportation

### Capitol Costs

### State Funding

Information about other state funding models was included as part of the [HJR 45 \(2019\) bicycle and pedestrian facilities study](#) undertaken by the Transportation Interim Committee.

Highlights from that study and updates since then include:

- Many states allow for use of fuel tax revenue to be directed toward bicycle and pedestrian infrastructure.
- Some state legislatures appropriate general funds for bicycle infrastructure.
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- Colorado statute allows use of lottery money for new recreational trails, as well as recreational trail maintenance.
- Sales tax revenue is an option utilized by some states such as California and Maryland to help fund bicycle infrastructure projects.
- Oregon enacted an excise tax on bicycles in 2017, a flat amount of \$15 for new bikes for which the retail sales price is \$200 or more.
- Oregon has a new grant program, called the Oregon Community Paths Program, which is intended to help communities create and maintain connections through multiuse paths. Both federal and state money fund this program. For the state funding, this includes the revenue from the excise tax on bicycles, lottery bonds, and revenue from a new tax called the vehicle privilege tax which is paid for newer vehicles sold by dealers within the state.
- Some states like Illinois utilize motor vehicle title fees to provide grants for bike path projects; in October 2023, \$2.2 million of grants were awarded for 13 projects
- Washington enacted legislation creating a cap-and-invest program on carbon emissions. The revenue from this program in 2021, is used for the Sandy Williams Connecting Communities Program, which can be used for bikeways and trails.
- Other state funding sources used for bicycle infrastructure are bicycle user fees for usage of state trails; bond proceeds; school zone speeding fines; other traffic violations; revolving loan funds; and vehicle registration fees.

In Montana, in accordance with 16-12-111, MCA, 4.0% of the excess reserve of marijuana tax revenue (after distribution and administrative costs) is directed to the trails and recreational facilities account. That account helps fund the trails and recreational facilities grant program, which in accordance with 23-2-109, MCA, provides grants to various entities including local governments and can be used for new trail and shared-use path construction, as well as rehabilitation and maintenance of existing facilities.

In FY 2023, the amount distributed to the account totaled \$1.8 million; a [brochure](#) from the Legislative Fiscal Division provides details about marijuana tax distributions.



Credit: City of Missoula, Protected Bike Lane on Higgins Ave.

## Local Funding

Local funding for capital costs include a variety of local sources, such as:

- Gas tax funding

- Local improvement district funding
- Urban renewal/tax increment finance districts
- General funds
- Parking revenue
- Bonds
- Impact fees (charges imposed upon private land developers to fund additional service capacity required by the development for which it is collected)
- Transportation sales tax – In San Francisco, Proposition K, a half-cent transportation sales tax, provides funding for various corridor improvements

Note that some funding may have eligibility for both capital and operating costs.

## **Operating Costs**

Many of the sources identified for capital costs can be used for operating costs as well, depending on allowable uses of the funding, as well as the nature of the funding – whether it's a consistent source.

## **State Funding**

For many of the states, the funding sources for maintenance are the same as for capital costs, depending on the eligibility of the specific programs.

Montana, however, has a specific fund for shared-use paths maintenance funding. Under 61-3-321 (21), MCA, statute authorizes a \$5 option vehicle registration fee for shared-use path maintenance and repair and bike safety education as outlined under Title 60, Chapter 3, Part 3, MCA. In 60-3-309,

MCA, the specific method for allocation and eligible uses of funding are described.

## Local Funding

The following are some specific examples of funding sources used by local governments for maintenance:

- Arlington, Texas – Street maintenance tax
- Cincinnati, Ohio – Stormwater management funds, paid by citizens in their utility bills
- Long Beach, California – Half-cent sales tax
- Oregon state law requires all agencies receiving state highway funds to spend at least 1.0% of those funds on bicycle and/or pedestrian infrastructure improvements.

## Additional Resources

- [Transportation Interim Committee, 2023-2024 Interim.](#)
- [HJR 45 study materials – Bicycle and pedestrian paths, Transportation Interim Committee, 2019-2020 Interim.](#)
- [Small town and rural multimodal networks, Federal Highway Administration.](#)
- [Guidelines for analysis of investments in bicycle facilities, Transportation Research Board.](#)
- [Separated bike lane planning and design guide, Federal Highway Administration.](#)
- [Pedestrian and bicycle funding opportunities: U.S. Department of Transportation highway, transit, and safety funds. U.S. Department of Transportation.](#)

- Planning for Bicyclists, Pedestrians, and Transit Rider,  
Montana Department of Transportation.
- Funding Walking & Biking Improvements, Oregon  
Department of Transportation.

**Images**

Montana Office of Tourism  
& Business Development