

This document has been prepared as part of the implementation project of Legal Pathways to Deep Decarbonization (Michael B. Gerrard and John C. Dernbach, eds. Environmental Law Institute [2019]) (LPDD). For background information on the project, see <https://lpdd.org>

## **ELECTRIC BICYCLE REBATE PROGRAM**

Effective: \_\_, 2021

### **1. PURPOSE AND INTENT**

- a. To reduce greenhouse gas emissions in the United States by at least 80% from 1990 levels by 2050 will require a significant reduction in reliance on transportation powered by internal combustion engine.
- b. Increased utilization of electric bicycles in lieu of vehicles powered by internal combustion engines could improve local air quality and reduce greenhouse gas emissions from the transportation sector.
- c. Utilization of electric bicycles for transportation also provides numerous health benefits associated with exercise and outdoor recreation.
- d. The purpose of this act is to promote and accelerate the adoption of electric bicycles by decreasing the cost to purchase them.

### **2. DEFINITIONS**

- a. "Department" means the Department of Transportation.
- b. "Electric Bicycle" means a vehicle that travels on not more than three wheels in contact with the ground and is equipped with (i) pedals that allow propulsion by human power, (ii) a seat for the use of the rider, and (iii) an electric motor with an input of no more than 750 watts. There are three classes of Electric Bicycles: (a) "Class one" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches a speed of 20 miles per hour; (b) "Class two" includes electric power-assisted bicycles equipped with a motor that may be used exclusively to propel the bicycle and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour; and (c) "Class three" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour.

- c. “Fund” means the Electric Bicycle Rebate Program Fund.
- d. “Participating Dealer” means any person (i) engaged in the sale of new or used Electric Bicycles directly to consumers in the Commonwealth;<sup>1</sup> and (ii) that participates in the Program.
- e. “Poverty Guidelines” means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 773(2) of the Omnibus Budget Reconciliation Act of 1981.
- f. “Program” means the Electric Bicycle Rebate Program established pursuant to this chapter.
- g. “Purchaser” means a purchaser of a new or used Electric Bicycle who is a resident of the Commonwealth.
- h. “Qualified Resident of the Commonwealth” or “Qualified Resident” means a resident of the Commonwealth who is a Purchaser and whose annual household income does not exceed 300 percent of the current Poverty Guidelines.

### **3. ELECTRIC BICYCLE REBATE PROGRAM**

There is hereby established an Electric Bicycle Rebate Program for the purchase of new and used Electric Bicycles. The Program shall be administered by the Department.

### **4. ELIGIBILITY FOR REBATE; AMOUNT OF REBATE.**

- a. Beginning on \_\_\_\_\_, 2021, a resident of the Commonwealth who is the Purchaser of a new or used Electric Bicycle from a Participating Dealer shall be eligible for a rebate of \$\_\_\_\_\_, subject to the availability of funds in the Fund.
- b. Beginning on \_\_\_\_\_, 2021, a Qualified Resident of the Commonwealth who is the Purchaser of a new or used Electric Bicycle from a Participating Dealer shall be eligible for a \$\_\_\_\_\_ enhanced rebate, subject to availability of funds in the Fund.

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<sup>1</sup> The legislature should determine whether to include in the definition of “Participating Dealer” on line dealers engaged in the sale of electric bicycles over the internet. In the event it determines to do so, this definition could be changed to include dealers “engaged in the sale of electric bicycles to residents of the Commonwealth by means of on-line transactions or transactions taking place in the Commonwealth.”

## **5. PROGRAM ADMINISTRATION.**

- a. The Department shall determine the best method to administer the Program, which may include contracting with a third-party administrator. By no later than \_\_, the Department shall establish a process whereby: (i) a dealer engaged in the business of selling new or used Electric Bicycles may register as a Participating Dealer by providing such information deemed necessary by the Department; (ii) a Purchaser may apply for a rebate under this chapter by submitting proof of purchase of a new or used Electric Bicycle from a Participating Dealer, along with such other information deemed necessary by the Department; (iii) a Qualified Resident of the Commonwealth may apply for an enhanced rebate under this chapter by submitting income documentation satisfactory to the Department along with proof of purchase of a new or used Electric Bicycle from a Participating Dealer and such other information deemed necessary by the Department; and (iv) the Department will issue rebates to Purchasers and enhanced rebates to Qualified Residents of the Commonwealth pursuant to this chapter, subject to availability of funds in the Fund.
- b. By no later than \_\_, the Department shall establish an alternative process whereby a Qualified Resident of the Commonwealth, if she or he so elects, may apply to the Department for an e-bike purchase voucher in lieu of an enhanced rebate pursuant to this section. Such process shall include submission of the Qualified Resident's full name, address, and contact information; the make and model of the Electric Bicycle to be purchased; the name of the Participating Dealer; and any other information deemed necessary by the Department. The process established by the Department hereunder shall provide that: (i) upon verification that the Qualified Resident is eligible for an enhanced rebate pursuant to this chapter, the Department shall issue to the Qualified Resident an e-bike purchase voucher in an amount equal to the total amount of the enhanced rebate; (ii) the Qualified Resident may present the e-bike purchase voucher to a Participating Dealer at the time of the purchase, in which case the amount of the rebate shall be deducted from the sales price by the Participating Dealer; (iii) the Participating Dealer shall be reimbursed for the amount of the rebate by the Department from the Fund upon presentation of an e-bike purchase voucher; and (iv) the Department shall pay to a Participating Dealer an additional \$\_\_\_\_ incentive payment for each e-bike purchase voucher processed by the Participating Dealer.

## **6. PROGRAM WEBSITE**

The Department shall establish a website for the administration of the Program. The website shall include general information for the public, including details about the Program and performance metrics regarding the Program. The website shall also provide real-time data regarding the availability of funds in the Fund at the time of the sale, and

shall provide instructions for Participating Dealers as to how to process e-bike purchase vouchers provided pursuant to subsection 5.b, above.

**7. ELECTRIC BICYCLE REBATE PROGRAM FUND**

- a. There is hereby created in the Commonwealth treasury a special nonreverting fund to be known as the Electric Bicycle Rebate Program Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received for the benefit of the Fund shall be paid into the Commonwealth treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in this chapter, including expenses related to the administration of the Program by the Department. Expenditures and disbursements from the Fund shall be made by the Commonwealth Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department.
- b. Of the amount of funds available for the provision of rebates, enhanced rebates and incentive payments pursuant to this chapter, \_\_\_\_ percent of the funds shall be allocated for the payment of rebates pursuant to subsection 4.a hereof; \_\_\_\_ percent of the funds shall be allocated for the payment of enhanced rebates pursuant to subsection 4.b and enhanced rebate vouchers pursuant to subsection 5.b hereof; and \_\_ percent of the funds shall be allocated for the payment of incentive payments to Participating Dealers pursuant to subsection 5.b hereof.
- c. Beginning with the submission due on or before \_\_, 2021, and in each year thereafter, the Governor shall provide a recommended appropriation to the Fund.

**8. REPORT**

The Department shall report annually to the Governor on or before December 1 regarding the implementation and administration of the Program. The report shall include information concerning the number of rebates, enhanced rebates and incentive payments issued under this chapter, the amounts expended, interest accrued, and any moneys remaining in the Fund; and a discussion of the accomplishments of the Program, modifications contemplated for the following year and such other information as deemed appropriate by the Department.