

HB 2571 -2 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/8, 3/29

WHAT THE MEASURE DOES:

Defines terms. Requires Department of Environmental Quality (DEQ) to establish a program for providing rebates to qualifying individuals (individuals) who purchase electric assisted bicycles or cargo electric bicycles and any qualifying equipment. To qualify for the rebate, requires individual to purchase an electric assisted bicycle or cargo electric bicycle and qualifying equipment, if any, from a qualifying retailer (retailer) in this state. Establishes minimum retail sales price for electric assisted bicycle or cargo electric bicycle and establishes sales requirements for qualifying equipment. Establishes criteria for rebates. Requires a retailer to register with DEQ before participating in the rebate program. Requires a retailer to verify the eligibility of the individual and calculate and apply the rebate at the time of purchase. Requires DEQ to reimburse a retailer that provides a rebate to an individual no later than 30 days after the rebate is provided. Requires a rebate recipient to provide certain demographic information to DEQ on a form provided by the department at the time of receiving the rebate. Requires a rebate recipient to maintain ownership of the electric assisted bicycle or electric cargo bicycle for at least one year after receiving the rebate. Authorizes Environmental Quality Commission (EQC) to adopt any rules necessary to carry out DEQ's provisions. Appropriates to EQC, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$6,000,000, which may be expended for carrying out the provisions in the Act.

- REVENUE: No revenue impact
- FISCAL: Fiscal impact statement issued

Subsequent Referral to Joint Committee on Ways and Means

ISSUES DISCUSSED:

- Accessibility of rebates to broad audiences
- Safety concerns
- Other states' rebate programs
- Methods to incentivize uptake of electric bicycle use
- Rebate structure
- Population served
- Benefits of electric bicycles

EFFECT OF AMENDMENT:

-2 Replaces the measure.

Modifies definitions of terms. Modifies Department of Environmental Quality (DEQ) program (Program) for providing rebates to individuals who purchase electric bicycles. Authorizes DEQ to hire or contract with a third-party organization to implement and serve as the administrator of the Program. Establishes that rebates under the Program be made from moneys credited to or deposited in the Electric Bicycle Incentive Fund. Establishes rebate rate of \$400 or, for individuals from qualifying households, \$1,200 or the purchase price of the qualifying electric bicycle minus \$200, whichever is less. Modifies criteria for rebates. Modifies method for obtaining rebate. Requires Program administrator to conduct annual surveys to determine how individuals' actual use of qualifying electric bicycles compares to individuals' reported anticipated use. Requires Program administrator to establish a searchable web-based system for housing certain rebate application information.

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Modifies Program requirements for retailers. Requires individual, to claim the rebate, to present the rebate voucher to a qualifying retailer at the time of purchase of a qualifying electric bicycle. Establishes requirements for a qualifying retailer when presented with a rebate voucher. Modifies timeline for DEQ reimbursement of a retailer from 30 days to 60 days. Establishes the Electric Bicycle Incentive Fund, separate and distinct from the General Fund, with interest earned by the Electric Bicycle Incentive Fund credited to the fund and moneys continuously appropriated to the DEQ. Establishes moneys in the Electric Bicycle Incentive Fund consist of: 1) amounts donated to the fund; 2) amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; 3) other amounts deposited in the fund from any public or private source; and 4) interest earned by the fund. Establishes criteria for expending appropriation. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

In Oregon, several pieces of legislation and the Governor’s Executive Order 20-04 have set goals for the state to address climate change. One of the proposed methods for reducing greenhouse gas emissions to mitigate climate change is to support electrification of the transportation sector and development of alternative vehicles and fuels. [Executive Order 20-04](#) directed the Oregon Department of Transportation, with other agencies and entities, to lead the Transportation Electrification Infrastructure Needs Analysis (TEINA) study. In the “Electric Micromobility in Oregon” report, a follow-up report to the TEINA study, the high cost of purchasing an electric micromobility (e-micromobility) device, such as an electric bicycle, was a barrier for many potential customers. The report’s authors recommend that Oregon use rebates, financing, and other financial incentives to incentivize adoption of e-micromobility devices.

The “Empower Benton County Electric Bike Rebate” Program, which ended in June 2022, leveraged a \$60,000 grant from Pacific Power and the Oregon Clean Fuels Program to offer instant rebates of up to \$1,200 for low-income individuals to purchase electric bicycles from local businesses. The program resulted in 48 rebates—from a pool of 130 applicants—being issued to Benton County residents.

House Bill 2571 would direct the Department of Environmental Quality to establish a program for providing rebates to qualifying individuals who purchase electric assisted bicycles or cargo electric bicycles and qualifying equipment.