

HB 2571 A STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Action Date: 03/29/23

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 9-1-0-0

Yeas: 9 - Andersen, Helm, Kropf, Levy B, Levy E, Marsh, Osborne, Owens, Pham K

Nays: 1 - Wallan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Erin Pischke, LPRO Analyst

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 for the purchase of qualifying electric bicycles. Authorizes DEQ to hire or contract with a third-party organization to implement and serve as the program administrator (administrator). Establishes that program rebates 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. Establishes rebate eligibility criteria. Establishes that an individual apply to the administrator to receive a voucher that demonstrates the individual's eligibility for a rebate. Establishes rebate application and rebate voucher criteria. Authorizes administrator to conduct annual surveys to determine how individuals' actual use of qualifying electric bicycles compares to individuals' reported anticipated use. Requires administrator to establish a searchable web-based system for housing certain rebate application information. Establishes criteria for retailers to be approved by the administrator as a qualifying retailer (retailer) before participating in the rebate program. Requires individual, to claim the rebate, to present the rebate voucher to a retailer at the time of purchase of a qualifying electric bicycle. Establishes requirements for a retailer when presented with a rebate voucher. Requires DEQ to reimburse a retailer that provides a rebate to an individual no later than 60 days after the rebate is provided. Authorizes Environmental Quality Commission (EQC) to adopt any rules necessary to carry out DEQ's provisions. Establishes the Electric Bicycle Incentive Fund (Fund), separate and distinct from the General Fund, with interest earned by the Fund credited to the Fund and moneys continuously appropriated to the DEQ. Establishes moneys in the 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. Appropriates to EQC, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$6,000,000, for deposit in the Fund. Establishes that appropriation is deposited in the Fund and that \$2,000,000 is for the provision of rebates to individuals from qualifying households and \$4,000,000 is for the purpose of carrying out the provisions of section 2 of the Act. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

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

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- Income eligibility
- Potential benefit to low-income households

EFFECT OF AMENDMENT:

Replaces the measure.

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 A directs the Department of Environmental Quality to establish a program for providing rebates to individuals who purchase electric bicycles.