



peopleforbikes

February 3, 2023

Senator Mark Lawrence
Representative Stanley Zeigler

Subject: Support and Recommendations for LD 256, An Act to Add Electric Bicycles to the Electric Vehicle Rebate Program

Dear EUT Committee Chairs Lawrence and Zeigler and Committee Members,

On behalf of the PeopleForBikes Coalition, I write to you in support of LD 256, that if signed into law, would expand eligibility of the electric vehicle rebate program to electric bicycles. We also suggest several amendments that will align this legislation with best practices for electric bicycle incentive programs nationwide.

The PeopleForBikes Coalition is the national advocacy group that works for better policies and infrastructure for bike riding. We are the sole national trade association, representing over 320 manufacturers, suppliers, and distributors of bicycle products and representing over 1.4 million riders in the U.S. We work to make bike riding a safer and more inclusive activity for everyone, including those who ride electric bicycles.

Electric bicycles are the future of personal mobility and recreation thanks to their environmental benefits and their inclusive nature. They are becoming increasingly popular as they allow people to relieve themselves of the financial burdens associated with car ownership. The annual cost to maintain an electric bicycle is between one-fifth and one-tenth the annual cost of maintaining a private car, depending on the state, and purchase price is similarly about one-tenth that of a car. Electric bicycles have made significant progress in the last ten years. With advancements in battery technology, motor design, and cargo carrying capacity, electric bicycles are now a viable full-time transportation option for many Americans. We are firm believers that electric bicycles are a critical tool for achieving our nation's climate, environmental, health, and transportation objectives.

We applaud your leadership to usher an electric bicycle purchase incentive program through the legislature. Considering lessons we have learned from supporting and tracking similar legislation across the nation, we would like to offer the following thoughts on the content of the bill for your consideration.

1. **Clarify incentive amounts, and tier them by income.** The program should include income eligibility requirements to ensure that the rebates incentivize persons who might not otherwise make the purchase. We stand with our partners at the Bicycle Coalition of Maine in recommending that customers making up to Maine's median income level receive a \$1,500 incentive, while those making above the median income receive \$750.

2. **State that the incentive should apply at the point of sale.** Low-income customers are far less likely to have the funds available to purchase an electric bicycle at full cost than wait months for a rebate check, potentially discouraging them from using the program. Creating a program that is centered around voucher-based incentives or instant rebates makes it much more appealing to consumers that could benefit from the electric bicycles the most. PeopleForBikes has examples of how this has been done in other states - including [Vermont](#), [Connecticut](#), and [Denver](#) via approved retailer application – and would be happy to share that information.
3. **The Efficiency Maine Trust should dedicate \$500,000 to this program and allocate ~10% for administrative costs.** We have seen other states inadvertently forced to delay program launch by up to a year because they did not specify in statute that funds to be allocated to the incentive program, or because they did not specify that sufficient funds could be used on costs to administer the program. We urge you to set a dollar amount in statute and to make it competitive with other states implementing similar programs: [Massachusetts](#) (\$1 million), [Hawaii](#) (\$700,000, with 10% eligible for administrative costs), and [Colorado](#) (\$10 million, with 9% eligible for administrative costs). Some states such as Vermont set a low dollar amount and ran out of funds within weeks of launching. The danger of a very limited budget is that it deepens class, education, and geographic disparities along the lines of who has ready access to needed information, proximity to participating retailers, and time available to take advantage of the incentive. A larger dollar amount will help the program truly meet the needs of those who will most benefit from this incentive.
4. **Explicitly include electric mountain bikes as eligible purchases.** Maine is somewhat unique in two relevant respects: first, more Mainers need to ride on rural highways and dirt roads, compared to many other states; second, as the demographically oldest state in the nation, riders will likely prefer more cushion and suspension to ride comfortably. Electric mountain bikes accommodate both of these needs and we anticipate that many customers may prefer such bikes even for practical, non-recreational needs. We therefore urge that statute be explicit about electric mountain bikes being eligible for the incentive.
5. **Modify bill language to be inclusive of online retailers.** This would better serve customers who do not live near an e-bike retailer, as well as offering all customers expanded options to meet their unique needs. The eventual program administrator could design an application process by which online brands would have to prove that their bicycles can be serviced locally and that their batteries and components meet industry safety standards. We suggest simply adding a requirement that the seller be "registered with the Secretary of State to do business in Maine" to exclude individual foreign retailers.

Thank you again for your leadership on this important issue. We believe that the most successful electric bicycle incentive programs are ones that are created alongside local advocates and retailers. We want to continue supporting this bill as you usher it through the legislative process.

I appreciate your consideration and welcome the opportunity to provide any further information.

Sincerely,

Kyler Blodgett
State & Local Policy Analyst
PeopleForBikes Coalition