

Department of Legislative Services  
 Maryland General Assembly  
 2024 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 156 (Delegate R. Lewis)  
 Environment and Transportation

**Transportation - Electric Bicycle Rebate and Voucher Program - Establishment**

This bill establishes an Electric Bicycle Rebate and Voucher Program to issue rebates and vouchers to qualified individuals for the purchase of a “covered item”. The Maryland Department of Transportation (MDOT) must implement and administer the program. For fiscal 2026 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of \$100,000 for the program. For each fiscal year, MDOT must issue at least 50% of the total value of rebates and vouchers issued under the program to “priority applicants”. MDOT may adopt regulations to implement the bill.

**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) expenditures increase by at least \$186,500 in FY 2025; this estimate assumes \$100,000 is provided for rebates and vouchers in FY 2025, although funding is discretionary in that year. Out-years reflect annualization, ongoing minimum costs, and mandated funding. General fund expenditures may increase in FY 2025, and TTF expenditures may increase further, both potentially significantly, depending on the process established by MDOT to determine priority applicants. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	-	0	0	0	0
SF Expenditure	186,500	203,700	208,300	213,000	218,000
Net Effect	(-)	(\$203,700)	(\$208,300)	(\$213,000)	(\$218,000)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not directly affect local government operations of finances.

**Small Business Effect:** Potential meaningful.

## Analysis

**Bill Summary:** “Authorized retailer” means a retailer that sells covered items from a physical location in the State and has entered into a memorandum of understanding with MDOT to redeem vouchers issued through the program.

“Covered item” means (1) a new electric bicycle that can be legally owned and operated in the State; (2) a replacement battery for an electric bicycle; (3) components to be installed on an electric bicycle to make it usable by an individual with a disability; (4) a bicycle lock used to secure an electronic bicycle; or (5) routine maintenance for an electric bicycle.

“Priority applicant” means an applicant who is eligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits under State and federal law.

### *Rebate and Voucher Eligibility*

To qualify for a rebate, an individual must have purchased a covered item from an authorized retailer for personal use (including commuting), on or after October 1, 2024. To qualify for a voucher, an individual must be seeking to purchase a covered item from an authorized retailer for personal use (including commuting).

To qualify for either a rebate or voucher, an individual must also:

- be at least age 18;
- be a Maryland resident;
- fall below an income threshold determined by MDOT or be a priority applicant;
- submit an application in a form determined by MDOT, as specified; and
- not have previously received a rebate or voucher under the program.

### *Rebate and Voucher Use*

The value of a rebate or a voucher may not exceed:

- \$2,000 for an electric bicycle;
- \$300 for a replacement battery;
- \$250 for components to make an electric bicycle usable by an individual with a disability;
- \$250 for a bicycle lock; and
- \$250 for routine maintenance.

## *Maryland Department of Transportation Responsibilities*

Subject to the availability of funding, MDOT must issue rebates and vouchers to individuals who qualify. MDOT may specify the covered items to which a voucher may apply. When notified by an authorized retailer that the retailer has accepted a voucher, MDOT must reimburse the retailer for the voucher amount.

MDOT must maintain a publicly available website showing a list of current authorized retailers and the total number and value of rebates and vouchers issued under the program. By December 31, 2026, and each December 31 thereafter, MDOT must report to the General Assembly on the program for the previous fiscal year, as specified.

### **Current Law:**

#### *Electric Bicycles*

Under the Maryland Vehicle Law, an electric bicycle is a vehicle that (1) is designed to be operated by human power with the assistance of an electric motor; (2) is equipped with fully operable pedals; (3) has two or three wheels; (4) has a motor with a rating of 750 watts or less; and (5) belongs to one of three classes of electric bicycles.

A Class 1 or Class 3 electric bicycle is equipped with a motor that provides assistance only when a rider is pedaling, while a Class 2 electric bicycle's motor provides assistance whether or not a rider is pedaling. A motor for a Class 1 or Class 2 electric bicycle ceases to provide assistance to a rider when the bicycle reaches a speed of 20 miles per hour; a motor for a Class 3 electric bicycle ceases to provide assistance once the bicycle reaches a speed of 28 miles per hour.

Chapters 63 and 64 of 2019 established several provisions governing electric bicycles (including their manufacturing, equipment, and labeling) and their operation (including the extent to which they may be operated on bicycle paths, trails, and public highways).

#### *Supplemental Nutrition Assistance Program Eligibility*

SNAP assists low-income households to purchase food. Eligibility for the program can be either categorical or noncategorical. Households receiving or authorized to receive Temporary Cash Assistance, Supplemental Security Income, Temporary Disability Assistance Program, Public Assistance to Adults, or Temporary Assistance for Needy Families-funded services or benefits (including certain brochures) are categorically eligible for SNAP benefits.

Noncategorically eligible households are subject to additional eligibility requirements, including resource and income limits. Households may have up to \$2,250 in countable resources, which include a bank account. If a member of a household is age 60 or older or is disabled, allowable countable resources increase to \$3,500. Certain resources are excluded, including all vehicles.

**State Expenditures:** TTF expenditures increase by at least \$186,483 in fiscal 2025, which accounts for the bill’s October 1, 2024 effective date. This estimate reflects the cost of hiring one program manager to manage the Electric Bicycle Rebate and Voucher Program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Although discretionary, this analysis assumes that \$100,000 is provided for vouchers and rebates under the program in fiscal 2025.

Position	1.0
Salary and Fringe Benefits	\$79,227
Program Vouchers and Rebates	100,000
Operating Expenses	<u>7,256</u>
<b>Minimum FY 2025 TTF Expenditures</b>	<b>\$186,483</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses, including \$100,000 annually for program vouchers and rebates, as mandated by the bill.

General fund expenditures may increase in fiscal 2025, and TTF expenditures may increase further, both potentially significantly, depending on the process established by MDOT to determine whether applicants for the program are priority applicants. For example, MDOT could allow applicants to self-report through a questionnaire developed in consultation with the Department of Human Services (DHS) using existing budgeted resources. Conversely, for DHS to provide MDOT with direct access to its Maryland Total Human-Services Integrated Network ( known as MD THINK) database to verify if an applicant is enrolled in SNAP, general fund expenditures increase by as much as \$250,000 for one-time programming changes. Moreover, because the bill defines a priority applicant as an individual *eligible* for SNAP benefits, rather than *receiving* SNAP benefits, MDOT may require additional staff to consult with DHS and other agencies, as SNAP eligibility can be complex.

**Small Business Effect:** Small business bicycle shops in the State are likely to experience increased business to the extent that they register with MDOT as an authorized retailer under the program. Moreover, even outside of the initial sales made to customers using the bill’s vouchers and rebates, these shops may continue to benefit as affected customers continue to patronize the shops for bicycle maintenance.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 1008 of 2023.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Transportation; Department of Human Services; Department of Legislative Services

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