

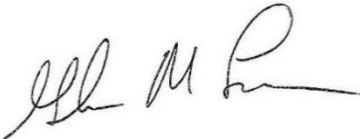
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: June 16, 2023

SUBJECT: Fiscal Impact Statement – Electric Bicycle Rebate Program Amendment Act of 2023

REFERENCE: Bill 25-115, Draft Committee Print as provided to the Office of Revenue Analysis on June 2, 2023

Conclusion

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The bill's implementation will cost \$803,000 in fiscal year 2024 and approximately \$1.7 million over the four-year financial plan period. The bill's provisions are effective October 1, 2023.

Background

The bill establishes an Electric Bicycle Rebate Program (Program) within the District Department of Transportation (DDOT) to encourage residents' purchases of electric bicycles and to support bicycle businesses in the District. A person, or authorized retailer¹ on behalf of a person, must apply to DDOT to participate in the Program. Individuals must meet the eligibility criteria, which include being a District resident, having purchased² or intending to purchase an eligible electric bicycle or related service or accessory, not having previously received a rebate within the bill's allowable timeframes,³ and, if applying to be a preferred applicant, proof of being a preferred applicant. A preferred applicant

¹ An authorized retailer is one that enters into a memorandum of understanding with DDOT and is therefore eligible to offer approved applicants a point-of-sale discount.

² The purchase must be made after the bill's effective date.

³ An applicant must not have received a previous rebate or equivalent discount for the purchase of an e-bike or cargo e-bike, a rebate within the last four years for qualifying accessories, or within the last year for a rebate for annual maintenance.

is one who is enrolled in an assistance program for lower income residents⁴ or participates in the Healthcare Alliance.^{5,6} The bill requires DDOT to issue at least 50 percent of the total value of all rebates issued in a fiscal year to preferred applicants and work to ensure that application process increases applications from preferred applicants. The bill authorizes DDOT to issue rules, subject to Council approval, to implement and expand upon any components of the Program.

The Program allows an approved applicant to purchase either a regular electric bicycle or a cargo electric bicycle, as well as batteries, locks, maintenance, and accessories to support a disability.⁷ An approved applicant can either receive a rebate for an eligible purchase they have made or they can purchase their bicycle or accessory at an authorized retailer. If a resident makes a purchase at an authorized retailer, then the retailer can reduce the up-front purchase price by the amount of the rebate and then the District will pay the rebate amount directly to the retailer. The following chart outlines the rebates available:

Purchased Item/Service	Preferred Applicant	Standard Applicant
Electric Cargo Bicycle	\$2,000	\$1,000
Electric Bicycle	\$1,500	\$750
Replacement Battery	\$300	\$150
Annual Maintenance	\$250	\$0
Disability Components	\$250	\$125
Bicycle Lock	\$150	\$75

The Program will provide a rebate for any electric bicycle or battery that is legal in the District of Columbia and meets ANSI/CAN/UL 2272, ANSI/CAN/UL 2849, or any successor safety standards.

The bill authorizes DDOT, if funding is available, to issue grants to retail bicycle establishments to support the hiring and training of new workers and to facilitate the opening of new sale or repair establishments in Ward 7 or 8. DDOT can issue grants of up to \$10,000 for hiring and training and up to \$50,000 to support the opening of eligible businesses in Ward 7 or 8.

The bill ensures that rebates DDOT pays through the Program are not included in gross income for District taxes.⁸

Financial Plan Impact

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The bill's implementation will cost \$803,000 in fiscal year 2024 and approximately \$1.7 million in over the four-year financial plan period.

⁴ Categorical eligibility as a preferred applicant includes participation in the Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, and Medicaid programs.

⁵ Healthcare Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 et seq.).

⁶ The bill allows DDOT to expand the eligibility of a preferred applicant to include income levels, car ownership, or participation in other income-based District programs.

⁷ The bill allows DDOT to impose other requirements for rebates related to electric bike accessories or services, including the length of electric bike ownership or distances traveled.

⁸ D.C. Official Code § 47-1803.02.

The Honorable Phil Mendelson

FIS: Bill 25-115, "Electric Bicycle Rebate Program Amendment Act of 2023," Draft Committee Print as provided to the Office of Revenue Analysis on June 2, 2023

DDOT requires one new program staffer to manage the contractor that will issue the rebates, issue rules, work with authorized retailers, and generally lead the Program. The staffer will cost \$85,000 in fiscal year 2024 and \$350,000 over the four-year financial plan period. DDOT also requires approximately \$103,000 annually for a contractor to process applications and issue rebates for approved program participants. DDOT requires \$118,000 in fiscal year 2024 and \$484,000 over the four-year financial plan period to support marketing, education, reporting, research, and other program incentives.

DDOT will only make rebates available to individuals and businesses and issue grants to businesses if funding is available in the budget. DDOT's fiscal year 2024 budget includes \$500,000 in one-time funds for the agency to issue rebates and grants.

Bill 25-115, Electric Bicycle Rebate Program Amendment Act of 2023					
Implementation Costs					
Fiscal Year 2024 - Fiscal Year 2027					
(\$ thousands)					
	FY 2024	FY 2025	FY 2026	FY 2027	Total
DDOT Staff	\$85	\$87	\$88	\$90	\$350
Contractor	\$100	\$102	\$103	\$105	\$410
Program Support	\$118	\$120	\$122	\$124	\$484
Rebates and Grants	\$500	\$0	\$0	\$0	\$500
Total	\$803	\$309	\$313	\$319	\$1,744