

ELECTRIC BICYCLE INCENTIVE TOOLKIT



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Introduction

As electric bicycle incentive programs gain popularity in states and cities nationwide, PeopleForBikes tracks, advocates for, consults on, and learns from each new proposal. After compiling top lessons and best practices, we are proud to launch our **Electric Bicycle Incentive Toolkit**. The toolkit offers a foundation to make it easier to propose, design, and implement incentive programs while considering each communities' unique needs and governmental structures.

Resources in the toolkit include:

- Overall guide
- Sample legislative language
- Comparison of existing incentive programs
- What can be learned from data-backed incentive programs
- Best practices and FAQs

We invite advocates, industry, and policymakers across all levels of government to utilize this resource, reach out to us with questions, and borrow what works best for your community in creating an effective, equitable, and popular e-bike incentive program. PeopleForBikes is here to help activate local advocates and bike businesses, work with lobbyists, and implement other tactics to turn these ideas into successful legislation and programming. For questions and partnership opportunities, please contact the [PeopleForBikes team](#).

Overview

Existing State-Level Programs

As of April 2023, seven states have passed purchase incentive programs that are in various stages of implementation. PeopleForBikes was actively engaged in the public input process of each program to promote the practices we believe best achieve equitable access and administrative ease, knowing that each state operates in a unique context. The table below provides a high-level comparison of these programs.

State	Status (as of April 2023)	Budgeted Amount	Customer Eligibility	Incentive Amounts	Incentive Structure
California	Anticipated statewide launch in summer 2023	\$13 million (\$3 million for admin costs)	<300% Federal Poverty Level only	\$1,000 base +\$250 for very low-income +\$750 for e-cargo / adaptive	POS (point-of-sale)
Colorado	Anticipated launch in summer 2023 Program Webpage	\$10 million	TBD	TBD	POS
Connecticut	Anticipated launch in summer 2023 Program webpage	\$8 million	Prioritizes residents of environmental justice communities and low-income residents	\$500+ (price cap of \$3,000)	TBD
Hawaii	Launched to the public in February 2023	\$700,000	18+ years old and either: - student, - does not own a car, or - on public assistance	\$500 or 20%	Post-sale rebate (within 12 months)
Massachusetts	In development	\$1 million	All	<i>Tiered by income:</i> Low-income: \$500 All others: \$750	POS
Rhode Island	Launched in July 2022	\$250,000	All	<i>Tiered by income:</i> Low-income (determined by public assistance program): \$1,000 or 75% All others: \$400 or 30%	Post-sale rebate (within 6 months)
Vermont	2022 funding exhausted, 2023 funding is in legislature	\$100,000	16+ years old with income <\$100,000	<i>Tiered by income:</i> <\$50,000: \$400 or 50% \$50,000-100,000: \$250 or 30%	POS for approved retailer purchases. Post-sale for all others

Federally, the [Electric Bicycle Incentive Kickstart for the Environment \(E-BIKE\) Act \(H.R. 1685/S.881\)](#) would create a consumer-facing, refundable 30% tax credit for the purchase of qualifying new electric bicycles if signed into law. PeopleForBikes has championed this policy since it was first introduced in February 2021 and continues to advocate for the bill in Congress. Since the concept of a federal incentive made headlines in 2021, states and local municipalities have taken the idea and introduced exciting and creative new proposals.

For more resources on the E-BIKE Act, check out our [blog](#), [one-pager](#), and [E-Bike Battery Safety FAQ](#).

Best Practices and Examples

At a high level, PeopleForBikes suggests that program administrators consider the following **five** components when designing an incentive program:

1. Make the program voucher-based at point of sale

Description: Low-income customers are far less likely to have the funds available to purchase an electric bicycle at full cost then wait months for a rebate check, which may discourage them from using the program. For tax-based incentives with a delayed rebate, leveraging options like a dealer transfer provision can ensure consumers can access a point-of-sale discount.

Example: Programs in Vermont and Denver reached the most low-income residents by prioritizing or limiting incentives to point-of-sale discounts. In Vermont (established in Section 28 of the [2021 Transportation Bill](#) and expanded in [2022 Transportation Bill](#)), retailers agree to give the discount at point of purchase after customers self-certify their income eligibility. Then the retailer submits an application to the program administrator to be reimbursed within 60 days. In [Denver](#), customers apply to the program administrator for a voucher code, then have 60 days to use it at a participating retailer once approved.

2. Include in-store and online retailers

Description: Including both in-store and online retailers allows program participants to choose from the widest range of bikes to meet their needs.

Example: All existing programs allow for this hybrid approach, but take different measures to ensure the bike can be serviced locally.

3. Prioritize dedicated outreach and incentives for low-income residents

Description: Additional financial incentives for both the purchase of an electric bicycle and riding accessories (i.e. helmet, lock, panniers, baskets, etc.) for lower-income earners may further encourage their use of the program. Equitable access to electric bicycles is crucial, as lower-income people can often benefit the most from using e-bikes' as a low-cost mobility solution.

Example: California's anticipated program structure goes the furthest in this regard in response to several rounds of public engagement. This program sits

near one end of the spectrum in resolutely prioritizing low-income participants — residents are only eligible if they earn less than 300% of the Federal Poverty Limit. Applicants are also considered “priority applicants” if they earn less than 225% of the Federal Poverty Limit, are on a public assistance program, or live in a designated disadvantaged or low-income community. Funds will be automatically reserved for priority applicants, and applications from non-priority applicants will close once 50% of total funding has been reserved.¹ Such safeguards are intended to direct funds to people who need them most, but other states should consider their potential program uptake and demand before creating such restrictions.

In Colorado, businesses and nonprofits are also explicitly eligible to apply for the incentives, allowing community-serving organizations like shelters and job placement programs to develop small fleets for their participants.

4. Include all forms of electric bicycles within the three-class system

Description: Including all three classes of electric bicycles without restrictions on components, intended use, and other features of the bicycle allow consumers the most amount of freedom to choose the right bicycle for their needs. While some may be best served by an electric cargo bicycle, others may have to carry a bike up stairs and be limited by weight. Others may want suspension to be able to ride safely and comfortably on different terrain in their community.

Example: Currently, each of the state programs above does or is planning to include all three classes of e-bikes.

5. Partner with local nonprofits and bike retailers as you develop your program

Description: Local nonprofit organizations, community benefit servicers, and bicycle advocacy groups can provide advice and marketing support to target specific communities. Retailers can offer advice on program logistics to help shape a successful program. PeopleForBikes can help connect you with these stakeholders.

Example: Most existing programs connected with their in-state low-income service providers and local bike retailers to learn how to communicate the incentive to target audiences and ensure retailers would be capable of managing their share of administrative responsibilities for each program.

As PeopleForBikes noted in an [analysis of Denver’s successful electric bicycle incentive program](#) by Ride Report: At the municipal level, “Electric bicycle incentive programs like the City and County of Denver’s met most of these criteria, which helped ensure its popularity and success in reaching residents and offering an affordable and accessible mobility solution to replace many of their short car trips. Denver’s nationally recognized model serves as an inspiration for cities and states across the nation as they gather information and resources to design their own electric bicycle incentive programs.”

¹ California Air Resources Board, [Electric Bicycle Incentives Project - Public Work Group Meeting](#). January 2023.

Early Lessons from the Data

Low income provisions are key

In [Vermont](#), 56% of all rebates claimed were by low-income residents (<\$50,000 in annual income), and these claimants were more likely to use the rebate at point-of-sale rather than post-sale. In [Denver](#), 49% of vouchers went to income-qualified residents. Even with the additional incentive amount, low-income customers in Vermont were 25% more likely than higher-income customers to buy a bike costing less than \$2,000. This disparity points to the need for even larger incentive amounts to allow low-income customers to purchase a bike that meets their needs (cargo, adaptive, etc.) regardless of cost. Data from Denver's program suggests that income-qualified recipients use their e-bike 50% more than standard recipients, demonstrating strong demand for this mobility option among low-to-moderate income households.

Users are replacing short car trips, and for practical purposes

65% of trips [tracked by the Denver program](#) were less than 3 miles and 84% were less than 5 miles, with users replacing 3.4 car trips per week. This points to a continued need for safe urban cycling infrastructure for these short trips, including public locking and charging stations. Safe on-street options are especially critical with nearly one-in-three Denver program recipients being new riders. Relative to the city's public e-bike share program for the same time period, voucher recipients used their bikes during the work day and commuting hours much more than for leisure.

Electric bicycles are an emissions-reduction tool

[Rocky Mountain Institute's analysis](#) of the Denver program showed that during operation, e-bikes produce 3% of the emissions of electric vehicles and 1% of internal combustion engine vehicles. An estimated 2,040 metric tons of CO₂ were saved, meaning that even in its limited scope, the pilot program had the environmental equivalent of taking more than 440 cars off the road for a year². Programs like Hawai'i's seek to put a sharper emphasis on e-bikes as a car replacement, as one way to qualify for their program is to simply not own a motor vehicle.

FAQ

How much should an electric bicycle incentive be and what is the most effective subsidy amount for inducing new purchases of electric bicycles?

The majority of incentive programs fall in the range of \$400 to \$1,200, with additional incentive amounts for qualified low-income applicants. Anecdotal evidence suggests that in order to support low-income groups and incentivize additional purchases, fixed program budgets should distribute fewer, larger subsidies reserved for income-qualified participants.³

² U.S. Environmental Protection Agency, [Greenhouse Gas Emissions from a Typical Passenger Vehicle](#)

³ MacArthur, J., & Bennett, C. (2022). Using E-Bike Incentive Programs to Expand the Market—Trends and Best Practices.

Should incentive programs be a flat or proportional instant rebate?

Flat rebate structures provide better income equity because the rebate amount is not tied to the purchase price and therefore not tied to the spending ability of the rebate recipient. Because of this, flat rebate structures are recommended for the development of new programs.⁴

How can programs avoid fraud?

All electric bicycles in the U.S. must display a unique serial number, which can be used by program administrators to ensure no bicycle is claimed more than once for an individual incentive program. The serial number system is determined by each brand as there is no overarching universal identification program for electric bicycles. Program administrators can also vet applicant eligibility by requiring forms that verify income or enrollment in qualifying public assistance programs.

Are incentive programs stackable?

Ideally, yes! Participation in a city-level incentive program should not prohibit participation in a state-level program, and if a federal e-bike tax credit is approved, should not prohibit access to that incentive. While we have yet to see any programs address eligibility for other incentive programs, program designers could consider reserving stackability for only income-qualifying participants.

Should incentive programs include funds for biking accessories?

PeopleForBikes recommends including an ancillary rebate for essential accessories like locks, helmets, lights, reflective clothing, and more. Denver's program survey found that nearly one-in-three recipients were new to riding, making the upfront cost of these items a potential barrier to safe riding, especially for customers with budget constraints. Oregon ([HB 2571](#)) and Washington ([Senate Transportation Budget](#)) are proposing state incentive bills with \$100 to \$200 allocated for these types of purchases.

How do expenses related to an electric bicycle compare to a car?

The purchase price of a commuter or leisure-style electric bicycle ranges from \$1,000 to \$5,500, averaging around \$2,600, while cargo-style electric bicycles range from \$2,000 to \$9,000, averaging around \$5,000. Ownership, maintenance, and charging costs for electric bicycle users are around \$400/year, including battery replacements. This is in contrast to average ownership costs of more than \$8,000/year for a private vehicle with an average purchase price of around \$28,000.⁵

How many electric bicycles are sold each year in the U.S.?

Approximately 525,000 electric bicycles were sold through U.S. retailers in 2022. Electric bicycles are the fastest growing segment of bicycle sales, with 25% more electric bikes sold in 2022 than in 2021, even after electric bicycle sales in the U.S. more than tripled from 2019 to

⁴ MacArthur, J., & Bennett, C. (2022). Using E-Bike Incentive Programs to Expand the Market—Trends and Best Practices.

⁵ MacArthur, J., & Bennett, C. (2022). Using E-Bike Incentive Programs to Expand the Market—Trends and Best Practices.

2021. According to the Light Electric Vehicle Association, electric bike sales outpaced electric vehicle sales in 2021.⁶

Why is the three-class system of electric bicycles important?

40 states and the U.S. Department of Transportation define three classes of electric bicycles in their traffic statutes. This language excludes low-speed electric bicycles from the definition of motorized vehicles and instead regulates electric bicycles more similarly to traditional bicycles. The purpose of this legislation is to provide clear rules for consumers, small businesses, and local governments to understand how electric bicycles must be equipped and operated and ensure clear enforcement guidelines for public safety officials. To learn more about the three-class system, visit peopleforbikes.org/topics/electric-bikes.⁷

How can the increased adoption of electric bicycles help lower carbon emissions?

A 2019 study from the Transportation Research and Education Center at Portland State University found that if electric bicycle usage increased by 15% across the U.S., we could reduce an estimated 12% of transportation-related CO2 emissions.⁸

Point-of-Sale Incentives

One of the most frequently asked questions when discussing an electric bicycle incentive program is, “What is the secret recipe to an instant point-of-sale discount?” These instant discounts are critical, allowing consumers to avoid waiting to be reimbursed for their purchase through a rebate. This structure supports both general and low-income participants as less money is required upfront.

Below is a detailed explanation on how an instant point-of-sale discount can work for both retailers and consumers.

Retailer qualifies for participation in e-bike certificate program

- Interested retailers apply through the program administration website to participate in the e-bike certificate program.
- The admin department confirms and qualifies retailers to participate in the program.
- The admin department gathers all required business banking info (ACH) from retailers for monthly reimbursements.
- The admin department lists participating retailers on the program website.

⁶ NPD Group. (2022). Cycling Point of Sale Retail Report.

⁷ Carnes, A. J. (2022, April 25). Are electric bike sales outpacing electric vehicle sales? 11Alive.com. Retrieved July 20, 2022

⁸ McQueen, M., MacArthur, J., & Cherry, C. (2019). The e-bike potential: Estimating the effect of e-bikes on person miles traveled and greenhouse gas emissions.

Resident applies to program admin for an e-bike certificate

- Residents apply for an e-bike certificate through the program admin website by submitting qualifying documents to the admin department (resident ID, proof of income, and any other necessary documentation).
- The admin department verifies the program qualifications of each applicant.
- The admin department awards a unique e-bike certificate number to the qualifying resident. Certificates with a greater discount are awarded to qualified low-income residents.

Resident purchases e-bike from a participating retailer

- An awarded program participant provides a participating retailer with their ID and unique certification number at the POS when purchasing an e-bike.
- Retailer verifies matching resident/buyer ID and certification number on the admin department database (online) and enters the following information:
 - Voucher #
 - Sales Person Name
 - Bike Manufacturer
 - Bike Model #
 - Bike Serial #
 - Rebate Amount
 - Total Bike Cost
- Retailer sells the e-bike at a discounted rate to the program participant.
- Retailer immediately submits resident ID, proof of certificate number, and sales receipt to the admin department database. The admin department database automatically expires the certificate number and disqualifies resident for any future e-bike rebates.

Program administrator reimburses retailers for certificates

- The program administrator reimburses all participating retailers for all submitted purchases with certificate numbers on a monthly basis.

Sample Legislative Language

To further assist policymakers in proposing electric bicycle incentive programs in their communities, PeopleForBikes crafted sample legislation that can be adapted to fit any community's needs. These pieces of legislation were created in response to PeopleForBikes' engagement in electric bicycle incentive programs throughout the past five years and outline key components we believe are essential to successful program creation.

We developed two different pieces of sample legislation (both of which can be found in the appendix of this toolkit).

1. **The first details an electric bicycle purchase incentive program that offers instant discounts for general and low-income consumers at the point of purchase.**

2. **The second sample seeks to further support low-income communities members through the creation of a grant program.** In this program, local organizations can apply for grant funding to create e-bike adoption programs for low-income community members at little-to-no cost. These programs may take the form of an e-bike lending library, a loan-to-own program, etc.

PeopleForBikes is specifically highlighting and advocating for the adoption of these two separate programs as they stand to benefit program participants in different ways. A traditional e-bike purchase incentive program can be successful for many members of a community, but to truly support those who cannot afford an electric bicycle, a grant program that supports low-income community members is more appropriate.

Additional Resources

PeopleForBikes Resources

- [E-BIKE Act One-Pager](#)
- [E-Bike Battery Safety FAQ](#)
- [UL Certification Terminology](#)

Studies Referenced

- [8 New Insights From Denver's EBIke Incentive Program - Ride Report](#)
- [Electric Assisted Bikes \(E-bikes\) Show Promise in Getting People out of Cars - UC Davis](#)
- [E-bikes and their capability to reduce car CO2 emissions](#)
- [The E-Bike Potential: Estimating the Effect of E-Bikes on Person Miles Traveled and Greenhouse Gas Emissions](#) (15% mode shift → 12% emissions reduction)

Appendix

1) **ELECTRIC-ASSISTED BICYCLE CERTIFICATE PROGRAM SAMPLE LEGISLATIVE LANGUAGE**

Effective: _____, 2024

1.DEFINITIONS

- (a) “Department” means the Department of _____.
- (b) “Electric-Assisted Bicycle” means a vehicle that travels on not more than three wheels in contact with the ground and is equipped with;
 - (i) Pedals that allow propulsion by human power,
 - (ii) A seat for the use of the rider, and

- (iii) An electric motor with an input of no more than 750 watts. There are three classes of Electric Bicycles:
 - (1) "Class one" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches a speed of 20 miles per hour
 - (2) "Class two" includes electric power-assisted bicycles equipped with a motor that may be used exclusively to propel the bicycle and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour
 - (3) "Class three" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour.
- (c) "Participating Dealer" means any retailer:
 - (i) Engaged in the sale of new electric-assisted bicycles that have a battery or drive system that has been certified to an applicable safety standard by an accredited laboratory, to residents by means of online transactions or transactions taking place in the state of _____; and
 - (ii) That participates in the Program.
- (d) "Poverty Guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 773(2) of the Omnibus Budget Reconciliation Act of 1981.
- (e) "Program" means the Electric-Assisted Bicycle Certificate Program established pursuant to this chapter.
- (f) "Purchaser" means a purchaser of a new Electric Bicycle who is a resident of _____.
- (g) "Standard Certificate" means a certificate of no more than _____ provided to residents in the state of _____.
- (h) "Enhanced Certificate" means a certificate of no more than _____ provided to eligible residents in the state of _____ as defined in section 3.

2. ELECTRIC-ASSISTED BICYCLE CERTIFICATE PROGRAM

There is hereby established an Electric-Assisted Bicycle Certificate Program for the purchase of new electric-assisted bicycles. The Program shall be administered by the Department.

3. ELIGIBILITY FOR A STANDARD CERTIFICATE OR ENHANCED CERTIFICATE

- (a) A purchaser aged 16 years or older may apply for an Enhanced Certificate through the Department if they meet one of the following requirements:
 - (i) Purchaser's annual household income does not exceed 400% of the current Poverty Guidelines.
 - (ii) Purchaser is a veteran.
 - (iii) Purchaser has a physical disability.
- (b) A purchaser aged 16 years or older may apply for a Standard Certificate through the Department.

- (c) A purchaser of an electric-assisted bicycle may apply for an Enhanced or Standard Certificate every three years.

4. PROGRAM ADMINISTRATION

- (a) The Department shall determine the best method to administer the Program, which may include contracting with a third-party administrator. By no later than _____, the Department shall establish a process whereby:
 - (i) A dealer engaged in the business of selling new electric- assisted bicycles may register as a Participating Dealer by providing such information deemed necessary by the Department;
 - (ii) A Purchaser may apply for an Enhanced or Standard Certificate through the Department;
 - (iii) The Department will issue an Enhanced or Standard Certificate to a Purchaser to purchase electric-assisted bicycle at a Participating Dealer, subject to availability of funds;
 - (iv) The Department shall prioritize the allocation of Enhanced Certificates prior to Standard Certificates;
 - (i) The Department shall consider a process to determine whether certain types of electric-assisted bicycles are eligible for additional incentives;
 - (v) A purchaser in possession of an Enhanced or Standard Certificate from the Department may present said certificate to a Participating Dealer who shall provide that Purchaser with a dollar amount equal to the certificate for the purchase of a new electric-assisted bicycle; and
 - (vi) The Participating Dealer must submit the Standard or Enhanced Certificate receipt to the Department for reimbursement. The gross receipts tax shall be applied to the post certificate price of the sale.

5. REPORT

The Department shall report annually to the Governor on or before December 1, 2024, regarding the implementation and administration of the Program. The report shall include information concerning the number of Standard Certificates and Enhanced Certificates issued under this chapter, the amounts expended, interest accrued, and any moneys remaining; and a discussion of the accomplishments of the Program, modifications contemplated for the following year and such other information as deemed appropriate by the Department.

2) ELECTRIC BICYCLE INCENTIVE GRANT PROGRAM SAMPLE LEGISLATIVE LANGUAGE

Effective: _____, 2024

1.DEFINITIONS

(1) "Bike Share Program" means a service in which bicycles:

- (a) Are made publicly available to multiple users for rent on a short-term basis; and
- (b) May either be picked up in one public location and dropped off at another public location or be checked out and returned at a single location.

(2) "Disproportionately Impacted Community" means a community that is in a census block group, as determined in accordance with the most recent United States census, where the proportion of households that are low income is greater than 40%, the proportion of households that identify as minority is greater than 40%, the proportion of households that are housing cost-burdened is greater than 40%; or is any other community as identified or approved by a state agency, if: the community has a history of environmental racism perpetuated through redlining, anti-Indigenous, anti-immigrant, anti-Hispanic, or anti-Black laws; or the community is one where multiple factors, including socioeconomic stressors, disproportionate environmental burdens, vulnerability to environmental degradation, and lack of public participation, may act cumulatively to affect health and the environment and contribute to persistent disparities.

(3) "Cost-burdened" means a household that spends more than 30% of its income on housing and "low income" means the median household income is less than or equal to 200% of the federal poverty guideline.

(3) "Electric-Assisted Bicycle" means a vehicle that travels on no more than three wheels in contact with the ground and is equipped with;

- (i) Pedals that allow propulsion by human power;
- (ii) A seat for the use of the rider; and
- (iii) An electric motor with an input of no more than 750 watts. There are three classes of Electric Bicycles:

- (1) "Class one" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches a speed of 20 miles per hour
- (2) "Class two" includes electric power-assisted bicycles equipped with a motor that may be used exclusively to propel the bicycle and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour
- (3) "Class three" includes electric power-assisted bicycles equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour

(4) "Fund" means the Community Access to Electric Bicycles Cash Fund.

(5) "Grant Program" means the Community Access to Electric Bicycles Grant Program.

(6) "Local Government" means a statutory or home rule municipality, county, or city and county.

(7) "Nonattainment Area" means an area of the state that the federal environmental protection agency has designated as being in nonattainment with a national ambient air quality standard.

(8) "Department" means the Department of _____.

(9) "Ownership Program" means a program that provides electric bicycles, equipment, and related services to individuals in low- and moderate-income households, as determined by the Department.

(10) "Program" means a bike share program or ownership program.

2. COMMUNITY ACCESS TO ELECTRIC BICYCLES GRANT PROGRAM

(1) (a) (i) The Community Access to Electric Bicycles Grant Program is created to help finance bike share programs and ownership programs that local governments, tribal governments, or nonprofit organizations administer or plan to administer in the state. The Department shall administer the grant program. To be eligible to apply for money under the grant program, a local government, tribal government, or nonprofit organization must administer or plan to administer, or contract with a third party to administer:

(a) A bike share program using a fleet of electric bicycles; or

(b) An ownership program offering an electric bicycle to a specific individual or household.

(ii) A local government, tribal government, or nonprofit organization awarded money under the grant program may use the money to purchase and maintain electric bicycles, equipment, and infrastructure for its bike share program or ownership program, pay labor costs related to implementation of the program, and cover the direct and indirect administrative costs that the local government, the tribal government, the nonprofit organization, or a third-party contractor incurs in implementing the program.

(b) In administering the grant program, the department shall establish an application process for local governments, tribal governments, and nonprofit organizations to use to apply for money under the grant program. the department shall post information about the application process on its web site.

(2) The Department shall develop:

(a) Criteria for awarding grant money, which must include:

(i) Giving priority to local governments, tribal governments, and nonprofit organizations offering a program in:

(a) One or more disproportionately impacted communities; or

(b) One or more nonattainment areas

(ii) A requirement that the local government or nonprofit organization provide at least a certain percentage of matching money for the program; and

(iii) A requirement that a local government, tribal government, or nonprofit organization that applies for grant money for a planned, but not yet implemented, program demonstrate to the satisfaction of the department that the local government, tribal government, or nonprofit organization, after receiving money under the grant program, will be able to start implementing the program within a certain number of months after receiving the money, as determined by the Department.

(b) Periodic reporting requirements for a grantee to demonstrate that the money awarded is being used in compliance with the purposes of this section; and

(c) Procedures for addressing a grantee's noncompliance with this section, including procedures for reimbursement of money awarded.

(3) The Department may use up to 9% of the money in the fund to cover the direct and indirect costs the department incurs administering the Program.

3. COMMUNITY ACCESS TO ELECTRIC BICYCLES CASH FUND

(1) (a) The Community Access to Electric Bicycles Cash Fund is created in the state treasury, and the department shall administer the fund. The fund consists of any money that the general assembly may transfer or appropriate to the fund for implementation of the grant program and any federal money or gifts, grants, or donations received.

(b) (i) The Department may seek, accept, and expend:

(a) Money from federal sources; and

(b) Gifts, grants, or donations from private or public sources.

(ii) The department shall transmit any money received to the state treasurer, who shall credit the money to the fund.

(2) The money in the fund is continuously appropriated to the Department. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Any unexpended and unencumbered money remaining in the fund at the end of a state fiscal year remains in the fund; except that the state treasurer shall transfer any money remaining in the fund at the end of the 2026-27 state fiscal year to the general fund.

(3) (a) On June 30, 2024, the state treasurer shall transfer X DOLLARS from the general fund to the fund.

5. REPORT

The Department shall report annually to the governor on or before December 1, 2024, regarding the implementation and administration of the Program. The report shall include information concerning the participation and bikes issued through the program, any monies remaining, and a discussion of the accomplishments of the Program, modifications contemplated for the following year and such other information as deemed appropriate by the Department.