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FISCAL IMPACT REPORT

SPONSOR Steinborn/Sedillo Lopez/Lujan LAST UPDATED _____
ORIGINAL DATE 3/1/2023
SHORT TITLE E-Bike Rebates BILL NUMBER Senate Bill 343
ANALYST Hanika-Ortiz

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$5,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

No Response Received

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Senate Bill 343

Senate Bill 343 (SB343) appropriates \$5 million from the general fund to DFA in FY24 and FY25 until expended to provide rebates to certain retailers that sell e-bikes to low-income residents.

SB343 allows a participating dealer that sells a new e-bike and a bicycle helmet to a low-income resident on or after July 1, 2023 to apply to DFA for a rebate of \$1,200, or the price paid by the low-income resident, if lower. The bill requires the low-income resident to provide the dealer with a certificate on certain forms and in a manner to be determined by DFA. The participating dealer is also required to provide safety information to the low-income resident at the time of sale.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$5 million in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance at the end of FY25 shall revert to the general fund.

Under SB343, dealers can sell an e-bike to a low income resident at a point-of-sale discount, and get a post-purchase rebate from DFA. DFA will be allowed to deduct from the appropriation an amount for “reasonable costs” to manage the certification, approval, and distribution of rebates.

If a low-income resident returns the new e-bike to the dealer, SB343 requires the dealer to return any amount of rebate received for that new e-bike to the department.

SB343 requires DFA to stop issuing certificates once the appropriation in the bill is exhausted.

SIGNIFICANT ISSUES

SB343 is an effort to make it easier for more people from all socio-economic levels to replace some or all their car trips for e-bike trips, significantly cutting their carbon output.

A low-income resident who wishes to purchase a new e-bike from a participating dealer under this program, will provide the evidence necessary to DFA to prove they are a low-income resident. Applications for certification will be considered in the order received; and DFA will ensure geographic dispersion of the certificates. If the low-income resident meets DFA’s requirements, DFA will issue a dated and numbered certificate of eligibility to the resident and provide them a list of participating dealers. DFA will only provide one certificate per low-income resident

As used in the bill, "e-bike" includes a vehicle that travels on not more than three wheels equipped with: a) pedals, b) a seat, and c) an electric motor with an input of no more than 750 watts; and “low-income resident” includes a person whose annual household income does not exceed 200 percent of FPL guidelines; and "participating dealer" includes a retailer that sells e-bikes with a primary place of business that is in New Mexico and is registered as a taxpayer in New Mexico.

PERFORMANCE IMPLICATIONS

The regulations of all 50 states, including for New Mexico which does not contain definitions of classes of e-bike, are available at <https://www.peopleforbikes.org/electric-bikes/state-laws>

ADMINISTRATIVE IMPLICATIONS

DFA will create the forms, inform/educate the public, and equitably distribute the rebates. The bill allows DFA to use the appropriation in the bill for “reasonable costs” to administer the program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB369 that defines 3 classes of e-bikes and where they can be used and by whom.

TECHNICAL ISSUES

If the e-bike is returned, there appears to be no time required to return the rebate to DFA.

AHO/ne/al