

## E-BIKE DISCOUNT VOUCHER PROGRAM

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<http://www.house.mi.gov/hfa>

House Bill 4491 (H-5) as passed by the House  
Sponsor: Rep. Julie M. Rogers  
Committee: Tax Policy  
Complete to 12-19-24

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4491 would create the Michigan E-Bike Transportation Incentive Program Act, which would create a program to issue discount vouchers for *income-qualified residents* to purchase eligible e-bikes.

*Income-qualified resident* would mean a *qualified resident* who has an individual or family with a household income that is less than or equal to 300% of the federal poverty level for the individual's family size or that is currently enrolled in one or more of the following programs:

- Michigan Low-Income Energy Assistance Program (LIEAP).
- Michigan Weatherization Assistance Program (WAP)
- Supplemental Nutrition Assistance Program (SNAP).
- Temporary Assistance for Needy Families (TANF).
- A state medical assistance program administered by the state and administered under section 105 of the Social Welfare Act (i.e., Medicaid).<sup>1</sup>

*Qualified resident* would mean a Michigan resident who is at least 18 years of age and has not previously received a voucher under the bill.

### E-Bike Transportation Incentive Program

The bill would require the Michigan Economic Development Corporation (MEDC), in consultation with the Office of Future Mobility and Electrification in the Department of Labor and Economic Opportunity (LEO), to establish, implement, and administer an E-Bike Transportation Incentive Program. MEDC could contract with a third party based in Michigan to administer the program.

MEDC would have to develop an application process for residents to apply for an e-bike discount voucher. The process could require applicants to sign documentation with the application as necessary to determine eligibility for the program. Upon receipt of the application, MEDC would be required to issue a discount voucher to income-qualified residents equal to the lesser of \$500 or 90% of an *eligible e-bike*'s retail price, and a list of *eligible electric bike retailers* in the state.

*Eligible e-bike* would mean an *e-bike* that has a base manufacturer's retail price of not more than \$8,000, has a manufacturer's warranty that covers service within

<sup>1</sup> <https://legislature.mi.gov/Laws/MCL?objectName=MCL-400-105D>

Michigan and has a minimum warranty period of one year, and has either UL 2849 certification or EN 15194 certification for its battery and electrical system.

***E-bike*** would mean an *electric bicycle* as that term is defined in section 13e of the Michigan Vehicle Code.<sup>2</sup>

***Eligible electric bike retailer*** would mean an electric bicycle retailer that satisfies all of the following:

- Has one or more physical retail locations in Michigan.
- Provides on-site sales, service, and repair for e-bikes.
- Has registered with the state as described below.

Vouchers would be valid for two years after the date of issuance and could be presented to an eligible electric bicycle retailer and applied at the point of sale. If not used within two years, the voucher would expire.

MEDC could not issue more than one voucher per applicant, and each voucher could only be used for one eligible e-bike. No new vouchers could be issued after December 31, 2028.

MEDC and the Office of Future Mobility and Electrification would also be required to conduct outreach and marketing programs to promote the program.

#### Eligible retailers and reimbursement

In order to be an ***eligible electric bicycle retailer*** under the bill, a retailer would have to register with the state by providing the name and location of each of the retailer's places of business in the state that sells eligible e-bikes.

Registered retailers would have to accept unexpired vouchers for the purchase of eligible e-bikes.

To be reimbursed for redeemed vouchers, registered retailers would have to return the voucher to MEDC, in a form and manner prescribed by MEDC, with a copy of the receipt and supporting documentation that the voucher was used to purchase an eligible e-bike. Retailers would not be reimbursed for vouchers that were expired at the time of use.

#### Allocation of funds

MEDC would be prohibited from spending more than 15% of the funds appropriated for the program on administrative costs.

#### Annual report

Beginning May 15, 2026, and annually thereafter through 2030, MEDC, in consultation with the Office of Future Mobility and Electrification, would have to submit a report on the operation and effectiveness of the program to the governor, the clerk of the House, the secretary of the Senate, and the chair of each standing committee and legislative budget subcommittee with jurisdiction over matters relating to the environment and transportation.

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<sup>2</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-257-13E>

The report would have to include all of the following information for the immediately preceding calendar year:

- The number of eligible electric bicycle retailers participating in the program and the names of those retailers.
- The number of applicants that applied for a discount voucher and the number of discount vouchers issued to income-qualified residents.
- The total amount of discount vouchers that were used and reimbursed to eligible electric bicycle retailers.

The bill would take effect 180 days after it is enacted.

## **BACKGROUND AND DISCUSSION:**

According to committee testimony, several states have already enacted similar rebate programs for e-bikes.<sup>3</sup> In addition, the Lansing Board of Water and Light's electrification rebate program offers rebates for the purchase of e-bikes.<sup>4</sup>

Supporters of the bill contended that it would have positive economic and environmental impacts, in addition to other benefits. They argued that lack of access to reliable transportation can be a critical factor in keeping people out of the workforce. By increasing access to e-bikes, the bill would eliminate or reduce this roadblock for some Michigan residents. They also argued that e-bikes are much better for the environment than cars and that encouraging a transition for some transportation would help Michigan achieve its environmental goals.

Critics of the legislation questioned the practicality of using e-bikes for transportation for a significant portion of each year in Michigan, particularly in winter and other inclement weather. They also raised concerns that the bill would essentially be subsidizing foreign manufacturers, rather than Michigan businesses, as the majority of e-bikes are produced in China.

## **FISCAL IMPACT:**

The bill would increase administrative costs for the Michigan Economic Development Corporation by an unknown amount. The bill includes no appropriation or directed revenue source for the cost of the program. Therefore, any funding for program administration, vouchers, marketing, and reporting would be subject to an annual appropriation determined by the legislature. The bill includes a provision that the MEDC cannot expend more than 15% of the total of any amount appropriated for the program on administrative costs.

2024 PA 121, a FY 2024-25 omnibus budget bill, includes a contingent appropriation of \$2.95 million in state general fund/general purpose revenue for the program. Specifically, the bill's boilerplate section 1105(1)(e) earmarks the funds as follows: \$2,950,000.00, if

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<sup>3</sup> <https://www.juicedbikes.com/blogs/news/2023-guide-us-ebike-rebates-and-tax-credits>

<sup>4</sup> <https://www.lbwl.com/customers/save-money-energy/electrification-programs>

House Bill No. 4491 of the 102nd Legislature is enacted into law, for a Michigan e-bike purchase incentive program to implement House Bill No. 4491.”

**POSITIONS:**

A representative of the League of Michigan Bicyclists testified in support of the bill. (5-15-24)

The following entities indicated support for the bill (5-15-24):

- City of Ann Arbor
- EBike – Ubike
- Clean Funds Michigan
- Michigan Retailers Association
- Detroit Greenway Coalition
- People for Bikes
- Michigan Environmental Council
- The Ecology Center
- Grosse Pointe – Trek Bicycle
- Walled Lake Trek Bicycle
- Sierra Club

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.