

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2249

03/12/2025

Authored by Rehm, Smith and Fischer

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transportation; modifying the electric-assisted bicycle rebate program;
1.3 requiring a report; amending Minnesota Statutes 2024, section 289A.51, subdivision
1.4 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

1.7 Subd. 4. **Commissioner to issue rebate certificates.** (a) To qualify for a rebate under
1.8 this section, an eligible individual must apply to the commissioner for a rebate certificate
1.9 in the manner specified by the commissioner prior to purchasing an electric-assisted bicycle.
1.10 As part of the application, the eligible individual must include proof of the individual's
1.11 adjusted gross income for the taxable year specified in subdivision 3, paragraph (c). The
1.12 commissioner must issue a rebate certificate to an eligible individual stating the issuance
1.13 date, the applicable percentage, and the maximum rebate for which the taxpayer is eligible.
1.14 For a married taxpayer filing a joint return, each spouse may apply to the commissioner
1.15 separately, and the commissioner must issue each spouse a separate rebate certificate.

1.16 (b) The commissioner of revenue may determine the date on which to open applications
1.17 for a rebate certificate, and applications must not be submitted before the date determined
1.18 by the commissioner. Beginning July 1, ~~2024~~ 2025, and July 1 of each subsequent calendar
1.19 year for which there is an allocation of rebate certificates, the commissioner must allocate
1.20 rebate certificates on a ~~first-come, first-served~~ lottery basis. The commissioner must reserve
1.21 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted
1.22 gross income of less than \$78,000 or any other filer with an adjusted gross income of less
1.23 than \$41,000. Any portion of the reserved amount under this paragraph that is not allocated

by September 30 is available for allocation to other rebate certificate applications beginning on October 1.

(c) The commissioner must not issue rebate certificates totaling more than \$2,000,000 in each of calendar years 2024 and 2025, except any amount authorized but not allocated in any calendar year does not cancel and is added to the allocation for the next calendar year. When calculating the amount of remaining allocations, the commissioner must assume that each allocated but unclaimed certificate reduces the available allocations by \$1,500.

(d) A rebate certificate that is not assigned to a retailer expires two months after the date the certificate was issued and may not be assigned to a retailer after expiration. The amount of any expired rebate certificates is added to the available allocation under paragraph (c).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to rebates issued on or after that date.

Sec. 2. **REPORT; ELECTRIC-ASSISTED BICYCLE REBATE PROGRAM.**

(a) By January 15, 2026, the commissioner of revenue must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and transportation. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197. At a minimum, the report must include:

(1) a comprehensive report on the operation of the electric-assisted bicycle rebate program under Minnesota Statutes, section 289A.51, including the application system that resulted in postponement and delay of the application process;

(2) a comprehensive analysis of the technical challenges resulting from a high volume of applicants;

(3) a timeline of events that led to system failures in the application process;

(4) identification of technical or procedural challenges in the application and first-come, first-served allocation of rebate certificates;

(5) costs incurred by the Department of Revenue as a result of the electric-assisted bicycle rebate program, including expenditures on system fixes or additional staff resources;

(6) recommendations for addressing the specific failure in the application system and preventing similar issues in future rebate certificate rollouts;

(7) an evaluation of any third-party vendor or contractor used in developing and managing the application system, including any accountability measures applied; and

- 3.1 (8) the department's anticipated programming to institute a lottery system for allocating
3.2 electric-assisted bicycle rebate certificates.
- 3.3 (b) The commissioner must not use funds from the amount allocated for electric-assisted
3.4 bicycle rebate certificates in preparation of the report.
- 3.5 (c) This section expires on December 31, 2026, or upon submission of the report,
3.6 whichever is sooner.