
CITY OF FLAGSTAFF SUSTAINABILITY OFFICE: E-BIKE REBATE PROGRAM FRAMEWORK PROPOSAL

PROGRAM STATEMENT OF PURPOSE

In 2021, Flagstaff City Council adopted the Carbon Neutrality Plan, to guide equitable solutions for mitigating and adapting to local climate change threats and reaching carbon neutrality by 2030. The Plan emphasizes the need to decrease Flagstaff’s dependence on gasoline-powered vehicles and increase multi-modal travel options to reduce greenhouse gas emissions and encourage healthier lifestyles.

The proposed e-bike rebate program would build on growing momentum by providing financial incentives for locally purchased electric bicycles with an equity component for low-income customers. The program framework assumes a \$25,000 budget and includes:

- Program Criteria
- Rebate Submittal Process
- Rebate Amounts
- Future Elements
- Example Programs

COMMON COMPONENTS OF CITY AND COUNTY E-BIKE REBATE PROGRAMS¹

- Eligibility includes Class 1, 2, and 3 e-bikes as well as e-bike conversion kits
- E-bike must be purchased with the intent to replace trips otherwise taken by automobile
- Equity component for low-income customers (income criteria differ by state)

PROGRAM CRITERIA

- The e-bike must be sold by a qualified dealer, a seller of electric bicycles within the City of Flagstaff that has a state and local transaction privilege tax license for the sale of electric bicycles. Qualified dealers include but are not limited to:
 - Electric Bikes of Flagstaff
 - Pedego Flagstaff
 - Absolute Bikes
 - Flagstaff Bike Revolution
 - REI Flagstaff
- Must be purchased by a qualified purchaser, the registered owner of the e-bike, or the parent/guardian of the registered owner if under 18 years of age.
- Can be a Class 1 or 2 e-bike, or e-bike conversion kit.²

- Class 1 – power assisted up to 20 mph but only when the rider pedals
- Class 2 – with a throttle than can propel the bike up to 20 mph without peddling
- E-bike Conversion Kit – installed on a traditional bike, adding an electric motor to the front or back wheel
- E-bike must be purchased with the intent to replace trips otherwise taken by automobile; e-bikes purchased with the sole intent for recreational use are not eligible (i.e., mountain bikes).³
- Eligible for rebate while funding lasts and if the purchase was made after the program’s effective start date.
- Limit of two rebates per household per year.
- If you are applying for the local version of the incentive, you must provide proof of residence.
 - A driver’s license with a local Flagstaff address, (OR)
 - A utility bill with a local Flagstaff address

REBATE SUBMITTAL PROCESS

- The purchaser may fill out the rebate application and submit the completed form to the City of Flagstaff Sustainability Section. If you have questions, please contact the Sustainability Office
- The qualified dealer may directly reimburse the purchaser. The qualified dealer may then submit the completed application to the City of Flagstaff Sustainability Section to be reimbursed for the issued rebate.

REBATE AMOUNTS

Rebates	Local	Non-local
Class 1 and 2 E-bikes	\$250	\$100
E-bike Conversion Kits	\$200	\$50
Income-Based	For households ≤80% of the AMI, there is an additional \$250 incentive available for e-bikes and conversion kits (not to exceed 100% of the cost).	

REBATE AMOUNT JUSTIFICATIONS

- Class 1 and 2 e-bikes range on average \$1,500–4,000^{4,5}
 - With the income-based additional incentive, this reduces the cost of an e-bike for local low-income customers by 12.5–33%
- E-bike conversion kits range on average \$300–900⁶
 - With the income-based additional incentive, this reduces the cost of an e-bike conversion kit for local low-income customers by 50–100%

Table 2: Factoring in both purchase location and income level, 50–250 e-bike purchases or 55–500 e-bike conversion kits could be covered by the program budget annually. E-bike and conversion kit totals were calculated separately. Differences in maximum rebate/customer are highlighted in blue.

E-bike Purchased by Local Customer			
All low-income customers		No low-income customers	
Flat rebate/e-bike	\$250	Flat rebate/e-bike	\$250
Additional Income-based Incentive	\$250	Additional Income-based Incentive	\$0
Maximum rebate/customer	\$500	Maximum rebate/customer	\$250
Total rebate program budget	\$25,000	Total rebate program budget	\$25,000
Total e-bikes covered by rebate	50	Total e-bikes covered by rebate	100

E-bike Purchased by Non-Local Customer			
All low-income customers		No low-income customers	
Flat rebate/e-bike	\$100	Flat rebate/e-bike	\$100
Additional Income-based Incentive	\$250	Additional Income-based Incentive	\$0
Maximum rebate/customer	\$350	Maximum rebate/customer	\$100
Total rebate program budget	\$25,000	Total rebate program budget	\$25,000
Total e-bikes covered by rebate	71.4	Total e-bikes covered by rebate	250

E-bike Conversion Kit Purchased by Local Customer			
All low-income customers		No low-income customers	
Flat rebate/e-bike conversion kit	\$200	Flat rebate/e-bike conversion kit	\$200
Additional Income-based Incentive	\$250	Additional Income-based Incentive	\$0
Maximum rebate/customer	\$450	Maximum rebate/customer	\$200
Total rebate program budget	\$25,000	Total rebate program budget	\$25,000
Total kits covered by rebate	55.6	Total kits covered by rebate	125

E-bike Conversion Kit Purchased by Non-Local Customer			
All low-income customers		No low-income customers	
Flat rebate/e-bike conversion kit	\$50	Flat rebate/e-bike conversion kit	\$50
Additional Income-based Incentive	\$250	Additional Income-based Incentive	\$0
Maximum rebate/customer	\$300	Maximum rebate/customer	\$50
Total rebate program budget	\$25,000	Total rebate program budget	\$25,000
Total kits covered by rebate	83.3	Total kits covered by rebate	500

FUTURE ELEMENTS

- All example programs consider only new e-bike purchases for rebate eligibility. However, as e-bikes become more popular the used market for them will grow and buying used is a more affordable (and equitable) option. Future considerations for this program should include expanding eligibility to used e-bike purchases.
- Austin, Texas' rebate program considers additional electric-ride vehicles, such as e-scooters and Segways, for rebate eligibility.
- Benton County, Oregon's rebate program includes bike accessory purchases (e.g., helmet, lights, rack, lock) within the rebate program. For this program, accessories could be included within the rebate for an e-bike conversion kit as the rebate amount could exceed the cost of the kit itself.
- Austin, Texas' rebate program has a separate rebate category for fleet purchases (5–25 e-ride vehicles). This program could expand to provide rebates for businesses (e.g., delivery services) looking to electrify their transportation.
- This program should be reviewed annually for budget or policy changes (e.g., which e-bike classes are allowed on the FUTS, budget expansion).

EXAMPLE PROGRAMS

City or County	State	Rebate	Maximum	Equity Component
Ann Arbor ⁷	Michigan	\$100	Flat rate	N/A
Ashland ⁸	Oregon	\$200 for Class 1 and 2 e-bikes only	Flat rate	N/A
Austin ⁹	Texas	≤\$499 post-tax: \$50 \$500–999 post-tax: \$100 \$1,000–1,999 post-tax: \$200 ≥\$2,000 post-tax: \$300 Any electric 2- or 3-wheel bike, scooter, motorcycle, moped, or segway	Flat rates tiered by post-tax purchase cost	N/A
Benton County ¹⁰	Oregon	\$200 less the purchase price on Class 1 and 2 e-bikes only; accessories can be included	\$1,200	Household must earn ≤80% of the median family income for the Corvallis Benton County area
Burlington ¹¹	Vermont	\$200 for all class e-bikes and e-bike conversion kits	Flat rate	E-bike loan program and subsidized prices for qualifying low-income households ^{12,13}
Contra Costa County ¹⁴	California	\$150 for all class e-bikes and e-bike conversion kits	Flat rate	\$300 rebate for households with income ≤400% of current Federal Poverty Guidelines
Edwards ¹⁵	Colorado	\$200 (e-bike must cost >\$500)	Flat rate, limit 2 e-bikes per household	N/A
Healdsburg ¹⁶	California	\$400 for e-bike purchased locally \$300 for e-bike purchased non-locally \$50 for e-bike conversion kit	Non-CARE customers: ≤75% of purchase cost CARE customers: ≤100% of purchase cost	\$700 for income-qualified CARE customers
La Plata and Archuleta Counties ¹⁷	Colorado	25% of price	\$150	N/A
Santa Clara ^{18,19}	California	10% pre-tax cost	\$300	Financial Rate Assistance Program customers receive an additional \$100 for e-bikes ≤\$600 and additional \$200 for e-bikes ≥\$600

Endnotes

- ¹ “Ebike rebates and incentives across the USA”. Aventon. 14 July 2021. https://www.aventon.com/blogs/aventon_bikes/ebike-rebates-and-incentives-across-the-usa. Accessed 7 Jan 2021.
- ² “Electric Bicycle Rebate Program”. 511 Contra Costa. 1 Jan 2022. <https://511contracosta.org/biking/electric-bicycle-rebate/>. Accessed 7 Jan 2022.
- ³ “Electric Bike (E-bike) Rebate Application.” City of Healdsburg. 1 Jan 2021. <https://healdsburg.seamlessdocs.com/f/tcy2hgwpjmg>. Accessed 7 Jan 2022.
- ⁴ “State Electric Bicycle Laws: A Legislative Primer”. National Conference of State Legislatures. 24 Feb 2021. <https://www.ncsl.org/research/transportation/state-electric-bicycle-laws-a-legislative-primer.aspx>. Accessed 10 Jan 2022.
- ⁵ “Over 450 Electric Bikes Compared! What does an ebike cost?” ebikshq.com. <https://ebikeshq.com/cost-of-an-ebike/>. Accessed 10 Jan 2022.
- ⁶ “E-bike Conversion Cost: How Much Does it Cost to Convert Your Bike to an E-bike?”. ebiking.com. 26 Dec 2021. <https://electric-biking.com/convert-your-bike-to-an-e-bike/>. Accessed 10 Jan 2022.
- ⁷ “Electric Vehicles”. City of Ann Arbor, Michigan. 24 Sept 2020. <https://www.a2gov.org/departments/sustainability/Sustainability-Me/transportation/Pages/Electric-Vehicles.aspx>. Accessed 7 Jan 2022.
- ⁸ “Transportation Electrification: Electric Bicycle Incentive”. Ashland, Oregon. <https://ashlandor.org/climate-energy/find-resources/transportation/#ebike-incentive>. Accessed 7 Jan 2022.
- ⁹ “Plug-In Austin Electric Vehicles: Electric Ride (E-Ride) Rebate”. Austin Energy. 18 Nov 2019. <https://austinenergy.com/ae/green-power/plug-in-austin/more-ways-to-go-electric/e-ride-rebate>. Accessed 7 Jan 2022.
- ¹⁰ “Empower Benton County Electric Bicycle Instant Rebate Program Information” flyer. Corvallis Benton County Economic Development Office. 2022. <https://yescorvallis.org/wp-content/uploads/2021/12/ENGLISH-E-Bike-Program-Flyer.pdf>. Accessed 7 Jan 2022.
- ¹¹ “E-bikes”. Burlington Electric Department. <https://www.burlingtonelectric.com/ebike>. Accessed 7 Jan 2022.
- ¹² “E-bike Loan Program”. Opportunities Credit Union. <https://www.oppsvt.org/e-bike-loan-program/>. Accessed 7 Jan 2021.
- ¹³ “E-bike Program”. Old Spokes Home. <https://www.oldspokeshome.com/e-bike-program>. Accessed 7 Jan 2022.
- ¹⁴ “Electric Bicycle Rebate Pilot Program: Eligibility, Rules, Terms and Conditions”. 511 Contra Costa. 1 Jan 2022. <https://511contracosta.org/wp-content/uploads/2021/12/Eligibility-Rules-T-and-C-2022.pdf>. Accessed 7 Jan 2022.
- ¹⁵ “Climate Action Rebate Programs: E-Bike Rebate Program”. Edwards, Colorado. 2016. <https://edwards-colorado.com/ebike-rebate-program>. Accessed 7 Jan 2022.
- ¹⁶ “Electric Vehicles and E-Bikes”. City of Healdsburg. 1 Jan 2021. <https://www.cityofhealdsburg.org/1000/Electric-Vehicles-E-Bikes>. Accessed 7 Jan 2022.
- ¹⁷ “2022 Outdoor Electric Equipment Rebate Application.” La Plata Electric Association, Inc. 2022. <https://lpea.coop/sites/default/files/Rebates/2022Outdoor.pdf>. Accessed 7 Jan 2022.
- ¹⁸ “Rebates: Electric Bicycle Rebate”. City of Santa Clara California. 31 Aug 2021. <https://www.siliconvalleypower.com/residents/rebates-6214>. Accessed 7 Jan 2022.
- ¹⁹ “Electric Bicycle Rebate Program Rules”. City of Santa Clara California. 2020. <https://www.siliconvalleypower.com/home/showpublisheddocument/71185/637436242629670000>. Accessed 7 Jan 2022.