

Date of Hearing: March 21, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 2074 (Gipson) – As Introduced February 14, 2022

**SUBJECT:** Air Quality Improvement Program: micromobility devices

**SUMMARY:** Establishes the Micromobility Devices Incentive Project (Project) to provide incentives for the individual purchase of electric micromobility devices. Specifically, **this bill:**

- 1) Defines a micromobility device as a low-speed (maximum 25 mile per hour speed), electrically powered, bicycle, tricycle, scooter, skateboard, neighborhood electric vehicle (NEV), or golf cart.
- 2) Requires the California Air Resources Board (CARB), no later than July 1, 2023, to establish the Project in conjunction with the Clean Vehicle Rebate Project.
- 3) Authorizes CARB to establish project guidelines for the quality of devices that qualify under the Project.
- 4) Limits the incentive to one per individual and 30% of the purchase cost with a maximum incentive of \$3,000.
- 5) Requires CARB to establish protections to minimize Project fraud and abuse.
- 6) Authorizes 10% of the Project money to be used for support programs, such as safety, educational, and promotional.
- 7) Requires CARB to encourage the participation of local small businesses, retailers, and nonprofit organizations related to micromobility devices.
- 8) Adds incentives for purchasing micromobility devices as an eligible project under the Air Quality Improvement Program (AQIP).

**EXISTING LAW:**

- 1) Establishes AQIP, administered by CARB, with the primary purpose of funding, upon appropriation by the Legislature, air quality improvement projects relating to fuel and vehicle technologies that reduce criteria air pollutants and improve air quality. Also, funds research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.
- 2) Defines a “low-speed vehicle,” also known as an NEV, as a motor vehicle that has four wheels, can attain a speed in one mile of more than 20 miles per hour and not more than 25 miles per hour, and weighs less than 3,000 pounds.
- 3) Prohibits the operation of an NEV on any roadway with a speed limit in excess of 35 miles per hour, except in an area where an NEV transportation plan has been adopted.

**FISCAL EFFECT:** Unknown

**COMMENTS:** Transportation is the second largest household expenditure category after housing. Households in the bottom fifth quintile spent more of their after tax income on transportation than those in the top fifth (28.8% and 9.5% of total expenditures, respectively). The author's Assembly District 64 experiences transportation costs almost 3 times the U.S. average. Various studies show that electric bikes (e-bikes) and e-scooters can replace car trips, providing a lower cost mobility option.

*What is a micromobility device?* In addition to e-bikes, trikes, scooters, and skateboards, this bill includes NEVs and golf carts. Micromobility, though not yet universally nor statutorily defined, has been used to refer to a number of different modes. Typically micromobility has referred to electric powered modes of transport that are low-speed (comparable to a bicycle), small, lightweight, and used for short distance trips. This includes e-bikes and standing e-scooters, but also other small electric devices, that are shared or personally owned.

The inclusion of NEVs and golf carts as micromobility devices could complicate local jurisdictions' efforts to piece together active transportation infrastructure with NEV transportation plans. Just as not all areas throughout the state have proper bike and pedestrian infrastructure, many regions are not authorized nor equipped to implement NEV transportation plans.

*Equitable incentive programs.* Similar to this bill, AB 117 of 2021 would have required CARB to establish the Electric Bicycle Incentives Project to provide incentives to income-qualified individuals for the purchase of e-bikes. AB 117 based incentive amounts on a sliding scale income with the maximum incentive amount available for the lowest income participants and a smaller incentive for higher income participants. Although AB 117 was held in the Senate Appropriations committee, other existing consumer incentive programs incorporate caps or differential incentive amounts based on income.

Current guidelines for CVRP limit eligibility for rebates to the following thresholds: \$135,000 for single, \$175,000 for head-of-household, or \$200,000 for joint filers. Additionally, CVRP applicants with household incomes less than or equal to 400% of the federal poverty level are eligible for an increased rebate amount of \$2,500 per rebate.

This bill currently requires the creation of the Project under CVRP, but it is not clear whether CVRP income caps or incentive enhancements for low-income households would apply.

According to the author, "...beyond electric cars, there have been a host of technological advances around electric devices – for communities who have welcomed their presence, these devices have truly changed the way we think about everyday avenues of transportation. But there are still communities who have not benefitted from their availability, and being able to own even one of these devices can be of great assistance even on a short work commute or trip to a nearby store for groceries, etc. If we are to meet our emissions reduction goals as a state, and also help the health and wealth of disadvantaged communities, we need innovative ways of encouraging our community members to adopt all types of technology to assist. In this case, ownership of micromobility devices is an important cultural step toward such goals."

*Related and previous legislation:* AB 2432 (Muratsuchi) of this session authorizes Los Angeles County or any city in Los Angeles County to establish a neighborhood electric vehicle transportation plan.

2021-22 budget allocated \$10 million General Fund for the E-Bike Incentives Project to provide “on-the-saddle” rebates to reduce the purchase price for e-bikes to income qualified consumers. CARB will design the pilot to help Californians reduce their vehicle miles traveled by lowering barriers to e-bike ownership, as well as learn about bicycle safety and support local businesses. CARB is currently developing the project and anticipates a date of mid-to-late 2022 to have a project administrator in place.

AB 117 (Boerner Horvath) of 2021 would have established the Electric Bicycle Incentive Pilot Project. AB 117 was held in Senate Appropriations.

SB 400 (Umberg) Chapter 271, Statutes of 2019 expands the eligible modes of transportation for which the Clean Cars 4 All “mobility option” vouchers may be used to include bike sharing and e-bikes.

**REGISTERED SUPPORT / OPPOSITION:****Support**

None on file

**Opposition**

None on file

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