

1.1 Senator moves to amend S.F. No. 219 as follows:

1.2 Delete everything after the enacting clause and insert:

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

1.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.5 the meanings given.

1.6 (b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision
1.7 27, except that the term is limited to a new electric-assisted bicycle purchased from an
1.8 eligible retailer.

1.9 (c) "Eligible expenses" means the amount paid for an electric-assisted bicycle and any
1.10 qualifying accessories purchased at the same time as the electric-assisted bicycle, inclusive
1.11 of sales tax but exclusive of any other related charges, including charges for a warranty,
1.12 service, or delivery.

1.13 (d) "Eligible individual" means an individual who:

1.14 (1) is at least 15 years old;

1.15 (2) is a person with a disability;

1.16 (3) is a resident individual taxpayer at the time of application for a rebate certificate and
1.17 in the two previous calendar year years;

1.18 (4) has filed an income tax return for the two taxable years immediately preceding the
1.19 calendar year in which the individual applies for a rebate certificate; and

1.20 ~~(3)~~ (5) was not claimed as a dependent on another return in the taxable year described
1.21 in subdivision 3, paragraph (c).

1.22 (e) "Eligible retailer" means a person who has engaged in the business of retail sales of
1.23 new electric-assisted bicycles for at least six months prior to receiving the approval of the
1.24 commissioner under subdivision 5.

1.25 (f) "Person with a disability" means a person who receives social security disability
1.26 benefits under United States Code, title 42, sections 401 to 434.

1.27 (g) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket,
1.28 bag or backpack, fenders, or reflective clothing.

1.29 **EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

2.1 Sec. 2. Minnesota Statutes 2024, section 289A.51, subdivision 3, is amended to read:

2.2 Subd. 3. **Amount of rebate.** (a) The amount of a rebate under this section equals the
2.3 lesser of:

2.4 (1) ~~the applicable percentage, multiplied by the amount~~ 75 percent of eligible expenses
2.5 paid by an eligible individual; or

2.6 (2) ~~\$1,500~~ \$750.

2.7 ~~(b) The applicable percentage equals 75 percent, but is reduced by one percentage point~~
2.8 ~~until the percentage equals 50 percent, for each \$4,000 of the eligible individual's adjusted~~
2.9 ~~gross income in excess of:~~

2.10 ~~(1) \$50,000 for a married taxpayer filing a joint return; and~~

2.11 ~~(2) \$25,000 for all other filers.~~

2.12 (b) Eligibility for a rebate under this section is limited to eligible individuals with adjusted
2.13 gross incomes that were not more than:

2.14 (1) \$78,000 in the case of a married eligible individual who filed a joint return; or

2.15 (2) \$41,000 for all other individuals.

2.16 (c) For the purposes of determining the applicable percentage income limit under
2.17 paragraph (b) ~~and subdivision 4, paragraph (a)~~, the commissioner must use the eligible
2.18 individual's adjusted gross income for the taxable year ending in the calendar year prior to
2.19 the year in which the individual applied for a rebate certificate.

2.20 **EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

2.21 Sec. 3. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

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

(b) The commissioner of revenue may determine the date on which to open applications for a rebate certificate, and applications must not be submitted before the date determined by the commissioner. Beginning July 1, 2024, and July 1 of each subsequent calendar year for which there is an allocation of rebate certificates, the commissioner must allocate rebate certificates ~~on a first-come, first-served basis. The commissioner must reserve 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less 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.~~ to eligible applicants. If the number of total applicants exceeds the available allocation of rebate certificates, the commissioner must allocate certificates through a random lottery.

(c) If a random lottery is used to allocate certificates as provided in paragraph (b), the commissioner must, by August 1, 2025, determine a suitably randomized method to allocate the certificates to eligible individuals and must:

(1) detail the department's anticipated timeline for the lottery, including when applications for the lottery by an eligible individual must be made and when the commissioner anticipates distributing the certificates;

(2) establish a method for an eligible individual to apply for placement into the lottery; and

(3) provide the amount of certificates available to be distributed by the department.

(d) 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~~ \$750.

~~(d)~~ (e) 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 for rebates after December 31, 2024.

4.1 Sec. 4. **REPORT; ELECTRIC-ASSISTED BICYCLE REBATE PROGRAM.**

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

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

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

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

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

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

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

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

4.20 (8) the department's anticipated programming to institute a lottery system for allocating
4.21 electric-assisted bicycle rebate certificates.

4.22 (b) The commissioner must not use funds from the amount allocated for electric-assisted
4.23 bicycle rebate certificates in preparation of the report.

4.24 (c) This section expires on December 31, 2026, or upon submission of the report,
4.25 whichever is sooner."

4.26 Amend the title accordingly