

BILL ANALYSIS

C.S.H.B. 1669
By: Harper-Brown
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that there continues to be a decline in the amount of gas tax revenue received by the state to pay for the maintenance and construction of Texas roads as vehicles become more fuel efficient and as more electric vehicles are sold. These parties advocate changing to a revenue system based on vehicle miles traveled as an important component to addressing long-term solutions to this funding dilemma. However, the parties also note that currently there is no way to assess the feasibility of a motor vehicle mileage fee. C.S.H.B. 1669 seeks to address this issue by providing for the establishment of a motor vehicle mileage fee pilot program for certain motor vehicles by the Texas Department of Motor Vehicles.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 2 this bill.

ANALYSIS

C.S.H.B. 1669 creates temporary provisions, set to expire December 31, 2014, requiring the Texas Department of Motor Vehicles (TxDMV), in consultation with the Texas Department of Transportation (TxDOT), Department of Public Safety (DPS), and comptroller of public accounts, by rule to establish the administrative framework needed to implement a system for assessing a motor vehicle mileage fee and to implement a pilot program to gather data regarding the feasibility of implementing a motor vehicle mileage fee using the established mileage fee framework.

C.S.H.B. 1669 makes a person who owns an electric motor vehicle, plug-in hybrid electric motor vehicle, hybrid motor vehicle, or liquefied fuel motor vehicle that is registered in Dallas or Tarrant County eligible to participate in the pilot program. The bill requires the pilot program to provide for optional participation and to be available to the first 1,000 persons eligible to participate. The bill prohibits a person participating in the pilot program from being charged a fee for participating in the pilot program.

C.S.H.B. 1669 requires TxDMV to establish the administrative framework needed to implement a system for assessing a motor vehicle mileage fee not later than January 1, 2012. The bill requires the pilot program to begin not later than January 1, 2012, and to end not later than July 15, 2012. The bill requires TxDMV, in consultation with TxDOT, DPS, and the comptroller, to establish incentives for participation in the pilot program. The bill requires a person who participates in the pilot program to have the mileage of the person's vehicle determined by an odometer reading that will occur in a manner specified by TxDMV.

C.S.H.B. 1669 requires TxDMV, in evaluating the feasibility of implementing a motor vehicle mileage fee, to consider, to the extent possible, economic efficiency, long-term revenue generation, long-term revenue stability, charging fairness, and privacy concerns.

C.S.H.B. 1669 requires TxDMV, not later than October 1, 2014, to submit a report to the legislature that includes recommendations regarding the feasibility of assessing a motor vehicle mileage fee in Texas or another fee to replace the gas tax.

C.S.H.B. 1669 defines "department," "electric motor vehicle," "hybrid motor vehicle," "liquefied fuel motor vehicle," and "plug-in hybrid electric motor vehicle."

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1669 contains provisions not included in the original defining "hybrid motor vehicle," "liquefied fuel motor vehicle," and "plug-in hybrid electric motor vehicle" for purposes of the motor vehicle mileage fee pilot program.

C.S.H.B. 1669 differs from the original by requiring TxDMV, in consultation with specified state governmental entities, to establish the administrative framework needed to implement a system for assessing a motor vehicle mileage fee and to implement a pilot program to gather data regarding the feasibility of implementing a motor vehicle mileage fee using the established mileage fee framework, whereas the original requires TxDMV to establish a statewide pilot program to assess owners of electric motor vehicles a vehicle mileage fee that is based on the number of miles traveled on public roads in this state by those motor vehicles and requires TxDMV to set the amount of the fee on a per mile basis, considering certain information relating to gasoline-powered motor vehicles in determining that amount.

C.S.H.B. 1669 differs from the original by providing for optional participation in the program by owners of an electric motor vehicle, plug-in hybrid motor vehicle, hybrid motor vehicle, or liquefied fuel motor vehicle registered in Dallas or Tarrant County, making the program available to the first 1,000 persons eligible to participate, and prohibiting a person participating from being charged a fee for participating, whereas the original provides for a statewide program that requires all owners of electric motor vehicles registered in the state to be assessed the vehicle mileage fee and requires the program to provide for two methods of participation.

C.S.H.B. 1669 differs from the original by requiring TxDMV, in consultation with specified state governmental entities, to establish incentives for participation in the pilot program, whereas the original requires TxDMV by rule to establish incentives for participants to equip their vehicles with an electronic reporting device.

C.S.H.B. 1669 differs from the original by requiring a person who participates in the pilot program to have the mileage of the person's vehicle determined by an odometer reading that will occur in a manner specified by TxDMV, whereas the original allows the owner of an electric motor vehicle to have the vehicle's mileage determined either by an odometer reading that will occur in a manner specified by TxDMV or by a device installed in the vehicle that electronically reports the number of miles traveled.

C.S.H.B. 1669 omits a provision included in the original requiring TxDMV by rule to establish the technologies to be used for the device that electronically reports the number of miles traveled and the manner of fee collection.

C.S.H.B. 1669 contains a provision not included in the original requiring TxDMV to establish the administrative framework to implement a system for assessing a motor vehicle mileage fee not later than January 1, 2012, and requiring the pilot program to begin not later than January 1, 2012, and to end not later than July 15, 2012.

C.S.H.B. 1669 differs from the original by requiring TxDMV to submit a report not later than October 1, 2014, with recommendations regarding the feasibility of assessing a motor vehicle mileage or other fee to replace the gas tax, whereas the original requires TxDMV to submit a report not later than October 1, 2012, with recommendations regarding the feasibility of permanently assessing an electric motor vehicle mileage fee and legislation to permanently implement such a fee.

C.S.H.B. 1669 differs from the original by making the bill's provisions expire December 31, 2014, whereas the original makes the bill's provisions expire September 1, 2013, and prohibits imposition of a fee under the pilot program after that date.