

BILL ANALYSIS

C.S.S.B. 1742
By: Fraser
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Stakeholder groups contend that because plug-in electric vehicles can be fueled with 100 percent American-made energy in the form of electricity and have no direct tailpipe emissions, the movement towards electric vehicles in Texas brings with it the potential to dramatically reduce dependence on foreign oil and clean up the air. Permitting electric vehicles to use high-occupancy vehicle lanes could help promote this promising technology and increase consumer adoption of electric vehicles. Similarly, permitting these vehicles to participate in a motor vehicle mileage fee pilot program could help to determine the feasibility of assessing a motor vehicle mileage fee in Texas or another fee to replace the gas tax. C.S.S.B. 1742 seeks to achieve these goals by amending current law relating to the operation of certain motor vehicles, including establishing a motor vehicle mileage fee pilot program.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 3 of this bill.

ANALYSIS

C.S.S.B. 1742 amends the Transportation Code to add a provision that expires January 1, 2013, to authorize a motor vehicle displaying a "plug-in electric vehicle" insignia in an easily readable location on the back of the vehicle to use a high occupancy vehicle lane regardless of the number of occupants in the vehicle unless the use would violate federal transit or highway funding restrictions.

C.S.S.B. 1742 adds temporary provisions relating to a "plug-in electric vehicle" insignia for certain motor vehicles that expire January 1, 2013. The bill requires the Texas Department of Motor Vehicles (TxDMV), at the time of registration or reregistration of a motor vehicle, to issue a specially designed "plug-in electric vehicle" insignia for a motor vehicle that:

- is made by a manufacturer primarily for use on public highways;
- has not been modified from original manufacturer specifications;
- is rated at not more than 8,500 pounds unloaded gross vehicle weight;
- is acquired for use or lease by a consumer and not for resale;
- has a speed capability of at least 65 miles per hour;
- is propelled to a significant extent by an electric motor that draws electricity from a battery that has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity; and
- is not a recreational vehicle that draws power from a battery or a hybrid engine solely for purposes other than propulsion.

C.S.S.B. 1742 requires TxDMV to issue a "plug-in electric vehicle" insignia to a person who

applies to TxDMV on a form provided by TxDMV and submits proof that the motor vehicle being registered is a vehicle described by the bill's provisions and that the person is a participant in the motor vehicle mileage fee pilot program established under the bill's provisions. The bill authorizes TxDMV to charge an annual fee for the issuance of a "plug-in electric vehicle" insignia and prohibits the fee from exceeding \$20 per motor vehicle.

C.S.S.B. 1742 creates temporary provisions relating to a motor vehicle mileage fee pilot program that expire December 31, 2012. The bill requires TxDMV, in consultation with the Texas Department of Transportation, Department of Public Safety, 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 implement a pilot program to gather data regarding the feasibility of implementing a motor vehicle mileage fee using the established mileage fee framework. The bill requires the pilot program to provide for optional participation of persons who own electric motor vehicles or plug-in hybrid electric motor vehicles that are registered in counties located within non-attainment areas. The bill requires a person who participates in the pilot program to be issued a "plug-in electric vehicle" insignia as provided by the bill's provisions. The bill prohibits a person participating in the pilot program from being charged a fee for such participation.

C.S.S.B. 1742 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 end not later than July 15, 2012. 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. The bill 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. The bill requires TxDMV, not later than October 1, 2012, 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. The bill defines "department," "electric 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.S.B. 1742 contains provisions not included in the original making provisions relating to the use of a high occupancy vehicle lane by a motor vehicle displaying a "plug-in electric vehicle" insignia and to a "plug-in electric vehicle" insignia for certain motor vehicles expire January 1, 2013.

C.S.S.B. 1742, in provisions requiring the Texas Department of Motor Vehicles (TxDMV) to issue a "plug-in electric vehicle" insignia to certain persons, contains a provision not included in the original requiring the person to be a participant in the motor vehicle mileage fee pilot program. The substitute contains provisions not included in the original relating to a motor vehicle mileage fee pilot program.

C.S.S.B. 1742 differs from the original by authorizing TxDMV to charge an annual fee for the issuance of a "plug-in electric vehicle" insignia, whereas the original authorizes TxDMV to charge a fee for the issuance of the insignia.

C.S.S.B. 1742 differs from the original by making its provisions take effect immediately if it receives the necessary vote or September 1, 2011, whereas the original makes its provisions take effect September 1, 2011.