

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**Revision 1**

**May 21, 2011**

**TO:** Honorable Larry Phillips, Chair, House Committee on Transportation

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: SB1742** by Fraser (Relating to the operation of certain motor vehicles, including establishing a motor vehicle mileage fee pilot program.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to require the Department of Motor Vehicles (DMV) to issue a specially designed “plug-in electric vehicle” insignia at the time of registration of a plug-in electric vehicle that meets specifications prescribed by the bill. The bill would authorize DMV to charge a fee for the issuance of the insignia in an amount not to exceed \$20. The bill would allow a vehicle displaying the new insignia to use high occupancy vehicle (HOV) lanes regardless of the number of passengers in the vehicle unless the use would violate federal transit or highway funding restrictions.

The bill would require DMV, in consultation with the Texas Department of Transportation (TxDOT), Department of Public Safety, and the Comptroller of Public Accounts, to establish the administrative framework needed to implement a system for implementing a motor vehicle mileage fee. The bill would require DMV to implement a pilot program to gather data regarding the feasibility of implementing a motor vehicle mileage fee using the established framework that provides for the optional participation for owners of electric or plug-in hybrid electric motor vehicles that are registered in counties located within non-attainment areas. The bill would require DMV to submit a report to the Legislature that includes recommendations regarding the feasibility of assessing a motor vehicle mileage fee or another fee to replace the gas tax. These provisions of the bill would expire on December 31, 2012.

Pursuant to Section 502.051, Transportation Code, revenue from the fee for issuance of the new “plug-in electric vehicle” insignia would be deposited to State Highway Fund 0006. Based on the analysis of DMV and TxDOT, it is assumed the provisions of the bill would not result in a significant fiscal impact to the State and any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 608 Department of Motor Vehicles, 304 Comptroller of Public Accounts, 601 Department of Transportation

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