**BILL ANALYSIS**

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| Senate Research Center | S.B. 1471 |
| 86R12704 AAF-D | By: Powell |
|  | Transportation |
|  | 4/1/2019 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1471 seeks to bolster state highway funding by capturing lost motor fuels tax revenue.

Historically, motor fuels taxes were intended to support road maintenance and development in proportion to road usage. Currently, the state gasoline and diesel taxes are both $0.20 per gallon. In the last biennium, the combined motor fuels taxes accounted for roughly half of the state's portion of the State Highway Fund. However, interested parties assert that the advent of hybrid and electric vehicles poses a potential risk to the stability of the State Highway Fund.

By design, hybrid vehicles use less fuel than traditional vehicles and electric vehicles use little to no fuel. Although hybrid and electric vehicle sales only represent a small portion of all light-duty car sales in the United States, their sales continue to climb. As such, interested parties have concerns that the growth of hybrid and electric vehicle sales will lower gasoline tax revenues for the state and jeopardize the stability of the State Highway Fund.

In order to capture lost fuel tax revenue, S.B. 1471 would create a special registration fee for hybrid and electric vehicles, the proceeds of which are to be allocated to the State Highway Fund. The bill delegates the task of determining the amount of fee to the comptroller of public accounts of the State of Texas (comptroller), who may consult with the Texas A&M Transportation Institute. Under the bill, the comptroller would use data on motor fuel taxes paid by drivers of traditional cars to determine average revenue per vehicle per year. After establishing an annual average of per-vehicle motor fuel tax revenue, the comptroller would use that value to set the annual additional registration fee on the hybrid and electric vehicles.

As proposed, S.B. 1471 amends current law relating to imposing an additional fee for the registration of electric and hybrid vehicles.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 2 (Section 502.360, Transportation Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 502.198(a), Transportation Code, to include Section 502.360 among the sections creating an exception to applying this section (Disposition of Fees Generally) to all fees collected by a county assessor-collector under this chapter (Registration of Vehicles).

SECTION 2. Amends Subchapter G, Chapter 502, Transportation Code, by adding Section 502.360, as follows:

Sec. 502.360. ADDITIONAL FEE FOR ELECTRIC AND HYBRID VEHICLES. (a) Defines "electric vehicle" and "hybrid vehicle."

(b) Requires an applicant for registration or renewal of registration of an electric vehicle or hybrid vehicle, in addition to other fees authorized under this chapter, at the time of application, to pay an additional fee as determined by the board of the Texas Department of Motor Vehicles (board) under Subsection (c).

(c) Requires the comptroller of public accounts of the State of Texas (comptroller), in consultation with the Texas A&M Transportation Institute, to calculate and recommend to the board an additional registration fee based on the average annual amount of taxes imposed under Chapter 162 (Motor Fuel Taxes), Tax Code, that an electric vehicle or hybrid vehicle would pay if the vehicle operated only on gasoline or diesel fuel. Requires the board by rule to set the fee imposed under this section based on the recommendation made by the comptroller.

(d) Requires fees collected under this section to be deposited to the credit of the state highway fund.

SECTION 3. (a) Effective date, except as provided by Subsection (b) of this section: September 1, 2019.

(b) Effective date, Section 502.360(b), Transportation Code, as added by this Act: January 1, 2020.