

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 25, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1971 by King, Ken (Relating to imposing an additional fee for the registration of electric and hybrid vehicles.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1971, As Introduced: an impact of \$0 through the biennium ending August 31, 2021. However, the bill would result in an estimated two-year impact of \$55.0 million to the State Highway Fund through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from State Highway Fund
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2020	\$27,163,000
2021	\$27,842,000
2022	\$28,538,000
2023	\$29,251,000
2024	\$29,982,000

Fiscal Analysis

The bill would amend Chapter 502 of the Transportation Code, regarding the registration of

vehicles, to add new Section 502.360, to impose an additional fee of \$200 for an electric vehicle and \$100 for a hybrid vehicle due at the time of registration or renewal of registration of the vehicle and in addition to other fees imposed under Chapter 502. Revenue from the new fees would be deposited to the State Highway Fund.

The bill would take effect September 1, 2019.

Methodology

Based on the analysis provided by the Comptroller's office, the imposition of the \$200 electric vehicle and \$100 hybrid vehicle fees at the time of vehicle registration or registration renewal would result revenue gains to the State Highway Fund beginning in fiscal year 2020 and continuing each year thereafter. The table above reflects estimated revenue gains provided by the Comptroller's office using vehicle registration information from the Department of Motor Vehicles (DMV) and vehicle registration growth rates from the Comptroller's *2020-21 Biennial Revenue Estimate*.

Based on the information provided by DMV, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within the agency's existing funding.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

The Department of Motor Vehicles anticipates one-time information technology programing costs to implement the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: WP, JGAn, SGr, TG, AF