

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 17, 2019**

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

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

**IN RE: HB3469** by Wilson (Relating to fees charged for the operation of certain commercial motor vehicles on public highways; authorizing a fee.), **As Introduced**

**Because the amount of the fee established by the bill and the number of vehicles that would be subject to the fee are unknown, the fiscal implications to the State cannot be determined at this time.**

The bill would amend the Transportation to establish a pavement consumption fee to be imposed for the operation of certain commercial motor vehicles on public highways. The bill would require the Texas Department of Transportation (TxDOT), in consultation with the University of Texas Center for Transportation Research (CTR) and the Texas A&M Transportation Institute (TTI), to establish rates for the pavement consumption fee that reflect the cost per mile to repair damage caused to the pavement of each section of a specific highway by the normal operation of an applicable commercial motor vehicle. The bill would require TxDOT to review the rates at least once every two years and update the rates as appropriate. The bill would require TxDOT, in consultation with CTR and TTI, to develop a system to calculate the total amount of the fee due from the operator of a vehicle subject to the fee and to allow a vehicle operator to use the system to calculate an estimated pavement consumption fee. The fee would be due and payable to the Comptroller quarterly. The bill would require the Comptroller to adopt rules to administer, collect, and enforce the fee, including rules allowing for the prepayment of estimated fees calculated by the commercial vehicle operator. The bill would require the Comptroller to refund any amount of prepaid fees that exceed the actual amount due from the operator. The bill would require TxDOT, in consultation with CTR and TTI, to determine the state agency or political subdivision responsible for the maintenance of each section of each highway on which a vehicle subject to the fee is operated. A state agency or political subdivision responsible for such highways would be entitled to a share of the fee, which would be distributed by the Comptroller based on data provided by TxDOT. The bill would stipulate that a registration or permit fee for a commercial motor vehicle subject to the pavement consumption fee may not include any amount of the registration / permit fee that is allocated to be used for the maintenance of a highway. The bill would require a state agency responsible for charging such registration and permit fees to determine the portion of the fee that is allocated for highway maintenance and adjust the registration or permit fee accordingly.

Except as otherwise specified, the bill would take effect on September 1, 2020. Effective September 1, 2019, the bill would require TxDOT to develop a system to calculate the fee and require the Comptroller to adopt the necessary rules to administer, collect, and enforce the fee no later than September 1, 2020.

Based on the information and analysis provided by the Comptroller's office, it is assumed the agency would incur one-time technology costs of \$3.1 million in General Revenue Funds in fiscal year 2020 to develop a system to accommodate reporting, remittance, collections, and auditing to manage the pavement consumption fee.

TxDOT anticipates that implementation of the bill would require the development of a pavement consumption library and systems capable of vehicle routing reporting and an interactive fee rate and revenue disbursement calculator. Because TxDOT has not determined the potential information technology programming and hardware requirements for such systems, the costs for implementation and maintenance of the systems cannot be determined at this time.

Based on the information and analysis provided by TxDOT, CTR, and TTI, this analysis assumes any costs associated with developing a methodology for the calculations of pavement consumption fees and the distribution of political subdivisions' share of fees could be accommodated within the agencies existing resources and through the execution of interagency contracts for consultation and support provided CTR and TTI.

Because the amount of the proposed pavement consumption fee and the number of vehicle to which the fee requirements would apply is unknown, the potential amount of revenue that would be derived from the fee cannot be determined at this time. Because the bill would require a reduction to the amount paid for a registration or permit fee for a commercial motor vehicle that is subject to the pavement consumption fee, based on the portion of each registration/permit fee that is determined to be allocated for maintenance of a highway, it is assumed implementation of the bill would result in an indeterminate revenue loss to the State, including losses to the State Highway Fund.

**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.

### **Local Government Impact**

The Texas Association of Counties anticipates a positive fiscal impact on counties. However the extent of the impact cannot be determined at this time.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation,  
720 The University of Texas System Administration, 727 Texas A&M  
Transportation Institute

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