

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 2, 2019

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

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

IN RE: SB1076 by Watson (Relating to imposing an additional fee for the registration of an alternatively fueled vehicle.), As Introduced

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1076, 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 \$52.9 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 <i>State Highway Fund</i>
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2020	\$26,144,000
2021	\$26,798,000
2022	\$27,468,000
2023	\$28,155,000
2024	\$28,859,000

Fiscal Analysis

The bill would amend Chapter 502 of the Transportation Code to require the payment of a fee at

the time of application for registration or renewal of registration of an alternatively fueled vehicle, as defined by Transportation Code §502.004, in addition to other fees authorized by Chapter 502. The bill would require the Department of Motor Vehicles (DMV) to develop a methodology for determining the fee for each class of vehicle based on the average annual amount of motor fuels taxes paid by a vehicle class and set a fee between 75 percent and 85 percent of that average annual amount. The bill would require DMV to review and update each fee at least once every five years. Fees collected would be deposited to the State Highway Fund.

The bill would take effect on September 1, 2019.

### **Methodology**

Based on the information and analysis provided by the Comptroller's office, it is assumed the imposition of the additional fee to be paid at the time of application for or renewal of registration of an alternatively fueled vehicle (AFV) would result in 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 based on information from the Environmental Protection Agency and DMV. The analysis assumes the average amount of motor fuels taxes per mile paid by gasoline and diesel vehicles in Texas is \$0.0093 and the average miles driven annually by AFVs is 13,691 miles, resulting in an estimated average base fee amount of \$127 for AFVs. The revenue estimates in the table above assume the imposition of a fee set at 80 percent of the base amount on approximately 257,000 AFV's beginning in fiscal year 2020, increasing at a rate of 2.5 percent per fiscal year.

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 Vehicle anticipates one-time information technology programing costs to implement the provisions of the bill.

### **Local Government Impact**

According to the Texas Association of Counties and the Texas Municipal League, no significant 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, TG, AF