

**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:** **SB1216** by Schwertner (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 SB1216, 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 \$66.2 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:**

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

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from State Highway Fund</b>
	<b>6</b>
2020	\$32,681,000
2021	\$33,498,000
2022	\$34,335,000
2023	\$35,193,000
2024	\$36,073,000

**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 (AFV), as defined by Transportation Code §502.004, in addition to other fees authorized by Chapter 502. The bill would require Department of Motor Vehicles (DMV) to calculate for each class of vehicle the average amount of motor fuels taxes paid for each mile driven by a vehicle operating on gasoline or diesel fuel only. The amount of the additional fee for registration of an AFV would be an amount equal to the product of the number of miles driven by the AFV in the preceding year and the amount calculated by DMV for the class of vehicle. 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 fee of \$127 to be charged to AFVs annually. The revenue estimates in the table above assume the imposition of a \$127 fee 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 or duties 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 programming costs to implement the provisions of the bill.

### **Local Government Impact**

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