

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

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: SB1471 by Powell (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 SB1471, 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 \$54.3 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
2020	\$21,411,000
2021	\$32,920,000
2022	\$33,743,000
2023	\$34,587,000
2024	\$35,452,000

Fiscal Analysis

The bill would amend Chapter 502 of the Transportation Code, regarding the registration of vehicles, by adding new Section 502.360 to impose an additional fee, as determined by the board of the Department of Motor Vehicles (DMV), to be paid at the time of application for or renewal of registration of an electric vehicle or hybrid vehicle. The bill would require the Comptroller, in consultation with the Texas A&M Transportation Institute, to calculate and recommend to the DMV board an additional registration fee based on the average annual amount motor fuels taxes that an electric vehicle or hybrid vehicle would pay if the vehicle operated only on gasoline or diesel fuel. The bill would require the DMV board to set the fee by rule based on the recommendation made by the Comptroller. Fees collected would be deposited to the State Highway Fund.

The bill would take effect on September 1, 2019. The additional fee for registration of electric and hybrid vehicles would take effect on January 1, 2020.

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 gasoline / diesel fuel equivalent cost of \$127 annually. The revenue estimates in the table above assume the imposition of a \$127 fee on a base of approximately 253,000 registered AFV's beginning in January 2020 (the fifth month of fiscal year 2020), with registrations and receipts increasing at a rate of 2.5 percent each year thereafter.

Based on the information provided by the Comptroller's office, DMV, and the Texas A&M Transportation Institute, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agencies' existing resources.

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 fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles, 727 Texas A&M Transportation Institute

LBB Staff: WP, JGAn, TG, SD