

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 17, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB427 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 HB427, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

However, there would be an estimated revenue gain to Fund 6 of \$145,438,000 during the 2022-23 biennium.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from State Highway Fund 6</i>
2022	\$60,002,000
2023	\$85,436,000
2024	\$119,668,000
2025	\$160,452,000
2026	\$205,726,000

Fiscal Analysis

The bill would add Section 502.360 to the Transportation Code to impose an additional fee on electric and hybrid vehicles at the time of registration or renewal.

An electric vehicle, as defined by the bill, would be subject to an additional \$200 fee at the time of registration or renewal, and hybrid vehicles would subject to an additional fee of \$100.

The additional fees would be deposited to Fund 0006 - 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 in, 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.

The bill would take effect September 1, 2021.

Methodology

Information from the DMV indicates the bill would initially apply to approximately 36,500 electric vehicles and 202,000 hybrid vehicles. The number of electric and hybrid vehicles that would pay the additional fee at registration was extrapolated using industry and market forecasts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AAL, SD, BRI