

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 19, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2986 by Martinez (Relating to imposing an additional fee for the registration of an electric vehicle.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 502 of the Transportation Code to authorize the commissioners court of a county to impose an additional fee on electric vehicles to be paid at the time of registration; fees collected would be deposited in the county treasury to be used for public roadway purposes. The bill would establish a fee of \$200 for a vehicle with a gross weight of 10,000 pounds or less and \$300 for a vehicle with a gross weight or more than 10,000 pounds. The bill would require the board of the Texas Department of Motor Vehicles (TxDMV) to adopt rules to administer the registration of an electric vehicle subject to the provisions of the bill. The bill would take effect on September 1, 2021.

Based on the information provided by TxDMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources. According to the Comptroller's office, implementation of the bill would have no effect on the State's cash flow.

Local Government Impact

According to the analysis provided by the Comptroller's office, if the fees authorized by the bill were to be implemented by all counties, the estimated revenue gain to counties would be \$19.4 million in fiscal year (FY) 2022, \$31.7 million in FY 2023, \$46.7 million in FY 2024, \$64.6 million in FY 2025, and \$84.4 million in FY 2026, with similar gains continuing each year thereafter.

According to Harris County, the bill's provisions would have a significant positive fiscal impact, increasing county revenue by \$9 to \$13 million per year based on an estimated 40,000 to 64,000 electric vehicles being registered each year over the next five years. El Paso County reports the bill's provisions would generate additional revenue for the county's Road and Bridge fund but cannot provide an estimate of the revenue gain. The fiscal impact to other units of local government is not anticipated to be significant.

Source Agencies: 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

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