

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB839 by Schwertner (Relating to the regulation of electric vehicle charging equipment by the Texas Department of Licensing and Regulation; authorizing a fee; providing a civil penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB839, As Introduced : a positive impact of \$43,419 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$34,044
2023	\$9,375
2024	(\$6,902)
2025	\$541
2026	\$5,555

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Change in Number of State Employees from FY 2021
2022	(\$323,156)	\$357,200	2.0
2023	(\$368,035)	\$377,410	4.0
2024	(\$427,035)	\$420,133	5.5
2025	(\$616,142)	\$616,683	8.0
2026	(\$725,643)	\$731,198	10.0

Fiscal Analysis

The bill would amend the Occupations Code Relating to the regulation of electric vehicle charging equipment by the Texas Department of Licensing and Regulation (TDLR), authorizing a fee, and providing a civil penalty. The bill would require TDLR to administer and enforce the provisions of the new "Electric Vehicle Charging Equipment" chapter.

The bill would require TDLR to inspect, test, and calibrate for correctness a device at least once every two years. The bill would require a person who owns or operates a metering device to register the device with TDLR before using the device for a commercial transaction.

The bill would require the Commission to establish by rule fees in an amount reasonable and necessary to cover the costs of administering the chapter.

Methodology

According to TDLR, research groups and business analyses anticipate large growth for electric vehicle charging stations over the next decade, with compound annual growth rate estimates ranging from 31.1 percent to 46.6 percent. TDLR reports that based on information from the Comptroller of Public Accounts and the Texas Department of Motor Vehicles, their cost analysis for the bill estimated an increase in electric vehicles in Texas at 30 percent per year over the next five years. Also using an estimate of 30 percent growth for metering devices, the number of devices in Texas would grow from 4,700 in fiscal year 2022 to 13,424 in fiscal year 2026.

TDLR anticipates the fee for a two-year registration would be \$100 for an initial and \$100 for a renewal. TDLR would need to register half the 4,700 metering devices in the first year at a full fee of \$100 and half with a \$50 registration that would expire in one year, so those devices would renew in the second year and even out the revenue over the years. TDLR reports there would also be a \$1 registration sticker required for each device.

According to TDLR the anticipated revenue would be \$357,200 in fiscal year 2022, \$377,410 in fiscal year 2023, \$420,133 in fiscal year 2024, \$616,683 in fiscal year 2025, and \$731,198 in fiscal year 2026.

In order to administer and enforce the Electric Vehicle Charging Equipment program, TDLR anticipates requiring additional full-time equivalent (FTE) program, inspection, and enforcement staff, some requiring special equipment. As the number of electric vehicles in Texas increases, this analysis assumes a concurrent growth in the number of metering devices, which results in an increasing number of FTEs for this program at TDLR as identified in the table above. The total cost for FTEs and equipment is estimated to be \$323,156 in fiscal year 2022 and \$368,035 in fiscal year 2023, with increases in subsequent years as shown.

This analysis assumes that any increased cost to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee-generated revenue.

Based on information provided by the Office of the Attorney General and the Office of Court Administration, this analysis assumes any additional work resulting from the passage of the bill could be reasonably absorbed with current resources.

According to the Comptroller of Public Accounts, the initial, renewal, and late device registration fees as well as the schedule of applications and violations subject to civil penalty are unknown; therefore, the fiscal impact on the state cannot be estimated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 452 Dept of License & Reg

LBB Staff: JMc, SZ, MB, DFR