

BILL ANALYSIS

Senate Research Center

S.B. 505
By: Nichols
Transportation
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many Texans are choosing alternatively fueled vehicles (AFVs) like electric vehicles (EVs) to go about their daily commute. As more of these vehicles drive on Texas roads, there are concerns about how they contribute to the funding of the roads which they use. Currently, Texas uses the gasoline/diesel fuel tax to fund transportation projects; however, with the growing use of EVs, the revenue from the fuel tax is decreasing, which diminishes our ability to fund road improvements for all drivers. EVs use the same roads as petroleum-powered vehicles, thus they should be subject to an equalization of road use consumption amount.

S.B. 505 addresses these concerns by creating a equalization consumption amount for EVs, based upon the vehicle class. This aims to solve a growing problem where only petroleum powered vehicles are paying into the transportation fund while all vehicles benefit from this funding.

S.B. 505 amends current law relating to imposing an additional fee for the registration of an electric vehicle.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 2 (Section 502.360, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 502.198(a), Transportation Code, to create an exception under Section 502.360.

SECTION 2. Amends Subchapter G, Chapter 502, Transportation Code, by adding Section 502.360, as follows:

Sec. 502.360. ADDITIONAL FEE FOR ELECTRIC VEHICLES. (a) Defines "electric vehicle."

(b) Requires the applicant, in addition to other fees authorized under Chapter 502 (Registration of Vehicles), at the time of application for registration or renewal of registration of an electric vehicle, to pay an additional fee of:

(1) \$400, for the registration of a new vehicle to which Section 548.102 (Two-Year Initial Inspection Period for Passenger Car or Light Truck) applies; or

(2) \$200, for the registration or renewal of registration of a vehicle to which Section 548.101 (General One-Year Inspection Period) applies.

(c) Requires that fees collected under this section be deposited to the credit of the state highway fund.

(d) Authorizes the Texas Department of Motor Vehicles to adopt rules to administer this section.

SECTION 3. Effective date: September 1, 2023.