

BILL ANALYSIS

S.B. 505
By: Nichols
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Many Texans are choosing to switch from traditional gasoline-powered vehicles to electric vehicles. Currently, the state uses gasoline and diesel fuel tax revenue to fund transportation projects. However, with the growing use of electric vehicles, fewer Texans are paying these taxes, which diminishes the state's ability to fund road improvements for all drivers. Electric vehicles use the same roads as petroleum-powered vehicles and thus drivers of these vehicles should also help provide funding for that infrastructure. S.B. 505 seeks to address this issue by imposing an additional registration fee on an electric vehicle due at the time of registration or renewal of registration, which will be deposited to the state highway fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Motor Vehicles in SECTION 2 of this bill.

ANALYSIS

S.B. 505 amends the Transportation Code to impose an additional registration fee on an electric vehicle in the amount of \$400, for a vehicle requiring the two-year initial inspection, or \$200, for a vehicle requiring an annual inspection. This fee is due at the time of application for registration or renewal of registration and must be deposited to the credit of the state highway fund. The fee is applicable only with respect to a motor vehicle that has a gross weight of 10,000 pounds or less and uses electricity as its only source of motor power and is not applicable to an autocycle, a moped, a motorcycle, or a neighborhood electric vehicle. The bill authorizes the Texas Department of Motor Vehicles to adopt rules to administer these provisions.

EFFECTIVE DATE

September 1, 2023.