

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 20, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3343 by King, Ken (Relating to the regulation of electric vehicle supply equipment; requiring an occupational registration; authorizing fees; authorizing an administrative penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3343, As Introduced : a positive impact of \$34,088 through the biennium ending August 31, 2025.

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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	\$0
2025	\$34,088
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	\$0	\$0	0.0
2025	(\$354,912)	\$389,000	4.5
2026	(\$348,989)	\$348,989	4.5
2027	(\$349,030)	\$349,030	4.5
2028	(\$370,626)	\$370,626	5.0

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 Supply Equipment" chapter as established by the bill.

The bill would authorize TDLR to periodically inspect electric vehicle supply equipment in order to verify compliance and to contract to perform the department's duties related to electric vehicle supply equipment, including inspections. The bill would require TDLR to establish fees by rule in an amount reasonable and

necessary to cover the costs of administering these requirements.

The bill outlines the duties of electric vehicle supply providers and requires registration of each charging unit of electric vehicle supply equipment operated by the provider prior to the equipment being made available for use for commercial transactions. Under the bill's provisions, electric vehicle supply equipment would be exempt from the requirements if the equipment is installed in or adjacent to a private residence for noncommercial use, or if it is provided at no charge for the exclusive use of an individual, or a group of individuals, including employees, tenants, visitors, or residents of a multi-unit housing or office development.

Methodology

Based on analysis and forecasting by TDLR, this estimate assumes population growth for electronic vehicles and charging devices through fiscal year 2028. Projections for the five-year period anticipate 234,966 electronic vehicles registered in fiscal year 2024, 308,655 in fiscal year 2025, 405,453 in fiscal year 2026, 532,610 in fiscal year 2027, and 699,644 in fiscal year 2028. Projections for the five-year period anticipate approximately 9,600 new devices registered in fiscal year 2025, 4,800 renewals and 1,150 new registrations in fiscal year 2026, 4,800 renewals and 1,175 new registrations in fiscal year 2027, and 5,950 renewals and 1,200 new registrations in fiscal year 2028. These numbers take into account expected growth as a result of federal infrastructure legislation investments in electric vehicle infrastructure.

This estimate assumes TDLR would need to register half the 4,800 metering devices in fiscal year 2024 at a full fee of \$54 and half with a \$27 registration fee that would expire in one year, so those devices would need to renew in the fiscal year 2025 for a full two-year registration. The bill also requires a \$1 registration sticker for each device to demonstrate its registration and provide information to consumers. Under the bill's provisions, renewals would be \$50 every two years.

TDLR anticipates and this estimate assumes that the agency would require 5 additional full-time-equivalent (FTE) positions to implement the provisions of the bill beginning in fiscal year 2025. A License and Permit Specialist (\$43,139 per year with estimated benefits of \$13,731) would be responsible for the registration of the metering device and their renewal. A Customer Service Representative (\$45,510 per year with estimated benefits of \$14,485) would be needed to manage any contacts about charging providers or metering devices. A Legal Assistant (\$55,096 per year with estimated benefits of \$17,537) to intake any complaints about charging providers or metering devices and review those complaints for jurisdiction and whether a violation has occurred. An Administrative Assistant (\$40,913 per year with estimated benefits of \$13,022) to perform the administrative part of intaking the complaints as it is anticipated there would be a high volume of complaints, many of which will be non-jurisdictional. This position would begin as a half-time position for fiscal years 2025 through 2027 but would increase to a full time position in fiscal year 2028 to address the projected increase in complaints over the five-year period. And lastly, a Program Specialist (\$67,089 per year with estimated benefits of \$21,354) to serve as the agency's subject matter expert on the metering devices and electric vehicles. The program specialist would assist in enforcement investigations and any complaint inspections, conduct outreach with the industry and public, and oversee issues with the inspection and calibration of devices. These FTEs will costs would total \$251,748 per fiscal year in salaries, \$2,800 per fiscal year in travel expenses, and one time startup costs in fiscal year 2025 of \$30,000.

The anticipated revenue estimated by the Comptroller of Public Accounts would be \$0 in fiscal year 2024, \$389,000 for registration and sticker fees in the fiscal year 2025, \$302,000 in the fiscal year 2026, \$303,000 in fiscal year 2027, and \$362,000 in fiscal year 2028. This analysis assumes that any increased cost to TDLR above Comptroller of Public Accounts revenue estimates from the fee authorized in the bill would be offset by an increase in fee-generated revenue because TDLR is statutorily required to generate sufficient revenue to cover its costs of operation,

Based on analysis from the State Office of Administration Hearings, duties and responsibilities associated with implementing the bill could be accomplished by utilizing existing resources.

Technology

This estimate assumes that TDLR would establish this program in its licensing system with existing resources.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 452 Department of Licensing and Regulation

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