

BILL ANALYSIS

C.S.H.B. 2983

By: Cook

Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Vehicle storage facilities were unable to increase the amount of the impoundment fee, daily storage fee, or maximum notification fees they are authorized to charge until 2019, when the 86th Legislature enacted legislation authorizing the Texas Commission of Licensing and Regulation (TCLR) to adopt biennial price adjustments to the impoundment and daily storage fee amounts based on increases or decreases in the Consumer Price Index for All Urban Consumers (CPI-U). However, the bill author has informed the committee that this change does not allow TCLR to adjust the maximum amount of the notification fee, which is currently capped at \$50, nor does it allow TCLR to address the CPI-U changes from 2005, when the amounts of such fees were frozen, to 2019. The bill author has also informed the committee of concerns raised during testimony regarding the increased cost and difficulty of storing electric or hybrid passenger vehicles. C.S.H.B. 2983 seeks to address these issues by requiring TCLR to adopt a one-time adjustment to the impoundment, daily storage, and maximum notification fee amounts to correspond to changes in the CPI-U, by providing for a biennial CPI-U adjustment to the maximum notification fee, and by establishing a separate storage fee of \$70 per day for electric or hybrid passenger vehicles.

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 Commission of Licensing and Regulation in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 2983 amends the Occupations Code to authorize the operator of a vehicle storage facility or governmental vehicle storage facility to charge the owner of an electric or hybrid passenger vehicle stored or parked at the facility a daily storage fee of \$70 for each day or part of a day the vehicle is stored at the facility.

C.S.H.B. 2983 requires the Texas Commission of Licensing and Regulation (TCLR), not later than February 1, 2026, to adjust the following fees that the operator of a vehicle storage facility or governmental vehicle storage facility may charge the owner of a vehicle stored or parked at the facility by an amount equal to the amount of the applicable fee or maximum amount in effect on December 31, 2005, multiplied by the percentage increase or decrease, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) that occurred during the period beginning December 31, 2005, and ending December 31, 2019:

- the \$20 impoundment fee for any action that is taken by or at the direction of the owner or operator of the facility and is necessary to preserve, protect, or service a vehicle stored or parked at the facility;
- the \$20 daily storage fee for each day or part of a day that a vehicle not longer than 25 feet is stored at the facility, the \$35 daily storage fee for each day or part of a day a vehicle that is longer than 25 feet is stored at the facility, and the \$70 daily storage fee for each day or part of a day that an electric or hybrid passenger vehicle is stored at the facility; and
- the maximum \$50 notification fee for certain notices a license holder under the Vehicle Storage Facility Act must provide.

The bill requires TCLR, if such a fee or maximum amount is adjusted in that manner, to publish the adjusted fee or maximum amount on the Texas Department of Licensing and Regulation (TDLR) website not later than February 1, 2026. These one-time fee adjustment provisions expire September 1, 2027.

C.S.H.B. 2983 requires TCLR, not later than February 1, 2026, to increase the maximum amount of the notification fee for certain notices a license holder under the Vehicle Storage Facility Act must provide by an amount equal to the sum of the following:

- the maximum amount of the notification fee in effect on December 31, 2019, multiplied by the percentage increase TCLR applied to the impoundment fee and storage fees in the final rule providing biennial fee adjustments adopted by TCLR on October 25, 2019;
- the maximum amount of the notification fee as adjusted under the bill's provisions based on the CPI-U multiplied by the percentage increase TCLR applied to the impoundment fee and the storage fees in the final rule providing biennial fee adjustments adopted by TCLR on October 29, 2021; and
- the maximum amount of the notification fee as adjusted in that manner multiplied by the percentage increase TCLR applied to the impoundment fee and the storage fees in the final rule providing biennial fee adjustments adopted by TCLR on January 5, 2024.

These one-time notification fee maximum amount increase provisions expire September 1, 2027.

C.S.H.B. 2983 revises the provision providing for the biennial adjustment of certain fees by TCLR as follows:

- changes from November 1 of each odd-numbered year to February 1 of each even-numbered year the deadline by which TCLR by rule may adjust certain impoundment and storage fees by an amount equal to the amount of the applicable fee in effect on December 31 of the preceding year multiplied by the percentage increase or decrease in the CPI-U and by which TCLR is required to publish those adjusted fees on the TDLR website;
- includes the maximum amount of the notification fee among those fees that may be adjusted and must be published on the TDLR website; and
- changes the method of determining that increase or decrease for purposes of the fee adjustments from the percentage increase or decrease in the CPI-U during the preceding state fiscal biennium to the percentage increase or decrease, if any, in the CPI-U during the state fiscal biennium ending August 31 of the year preceding the year in which TCLR adopts a final rule providing such biennial fee adjustments.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2983 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced that authorizes the operator of a vehicle storage facility or governmental vehicle storage facility to charge the owner of an electric or hybrid passenger vehicle stored or parked at the facility a daily storage fee of \$70 for each day or part of a day the vehicle is stored at the facility.

The substitute changes the deadline by which TCLR may make biennial adjustments to certain impoundment, storage, and notification fees and is required to publish the adjusted fee on the TDLR website from November 1 of each odd-numbered year to February 1 of each even-numbered year, whereas the introduced did not change this deadline. Additionally, while both the introduced and the substitute change the method of determining that biennial increase or decrease for purposes of the fee adjustments based on any percentage increase or decrease in the CPI-U during a specified preceding state fiscal biennium, the introduced specified that biennium as the state fiscal biennium ending August 31 of the year in which TCLR adopts a final rule providing such biennial fee adjustments, whereas the substitute specifies the biennium as the state fiscal biennium ending August 31 of the year preceding the year in which TCLR does so.

The substitute changes the deadline by which TCLR is required to make the one-time adjustment to the applicable impoundment and storage fees and the maximum amount of the notification fee under the bill's provisions and publish the adjusted fees and amounts on the TDLR website from not later than November 1, 2025, as in the introduced, to not later than February 1, 2026.