

SUBJECT: Extending eligibility for an electric vehicle incentive to some motorcycles

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 8 ayes — Landgraf, Dominguez, Goodwin, Kacal, Kuempel, Morales
Shaw, Morrison, Reynolds

0 nays

1 absent — Dean

WITNESSES: For — Fred Bosshardt; (*Registered, but did not testify*: Steven Albright, Associated General Contractors of Texas-Highway Heavy Utility and Industrial Branch; Jay Propes, Harley Davidson Motor Co.; Cyrus Reed, Lone Star Chapter Sierra Club; Buddy Garcia)

Against — Tom Smitty Smith, Texas Electric Transportation Resources Alliance

On — Adrian Shelley, Public Citizen (*Registered, but did not testify*: Mike Wilson, Texas Commission on Environmental Quality)

BACKGROUND: Under Health and Safety Code sec. 386.154, a new light-duty motor vehicle powered by an electric drive is eligible for a \$2,500 incentive if the vehicle has four wheels, was manufactured for use primarily on public streets, roads, and highways, has not been modified from the original manufacturer's specifications, has a maximum speed capability of at least 55 miles per hour, and is propelled to a significant extent by an electric motor that draws electricity from a hydrogen fuel cell or from specified types of batteries. The incentive is limited to 2,000 vehicles for each state fiscal biennium.

Concerns have been raised that current statutory language excludes electric motorcycles from eligibility for certain incentives for electric vehicles under the Texas Emissions Reduction Plan.

DIGEST: CSHB 2577 would extend eligibility for the \$2,500 incentive under the light-duty motor vehicle incentive program to a motorcycle that was powered by an electric drive, met other program requirements, and was not a motor-assisted scooter, pocket bike, or minimotorbike.

The bill also would require a recipient of the incentive to remit \$750 to the comptroller for deposit in the State Highway Fund. The money deposited in the fund would have to be used in a manner consistent with the purposes specified by provisions in the Texas Constitution related to revenues from motor vehicle registration fees and taxes on motor fuels and lubricants.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

NOTES: According to the Legislative Budget Board, the bill would have no fiscal impact on the state through fiscal 2023. However, there would be revenue gains to the State Highway Fund that could not be estimated, since the number of vehicle numbers that would be remitting a portion of the electric motor vehicle incentive is unknown.