

BILL ANALYSIS

Senate Research Center
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S.B. 1076
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Alternatively fueled vehicles are a quickly increasing portion of total vehicle registrations in Texas. Most of these vehicles are hybrid-electric, but an increasing share run on full-electric, propane, or other non-petroleum based fuels. Some concerns have been raised that these vehicles do not fairly contribute to road repairs, since they pay a greatly reduced or no motor fuels tax.

There were just 18,990 electric vehicles registered in Texas in 2018 and 233,645 hybrid gas/electric. There were fewer than 4,500 non-electric and non-hybrid alternatively fueled vehicles. Alternatively fueled vehicle registrations have grown steadily over the last several years, and continually decreasing costs have aided adoption. Conservative estimates predict that electric vehicles will make up roughly 15 percent of vehicle sales by 2030, with other groups predicting sales of about 50 percent by 2040. As alternatively fueled vehicles increase as a share of total vehicles, motor fuels tax revenue will decrease, further eroding the ability of the State Highway Fund to meet the operation, maintenance, and new capacity needs of the transportation system.

S.B. 1076 would have the Texas Department of Motor Vehicles develop a methodology to calculate the fee based on the average estimated tax the vehicle type (sedan, SUV, truck) would pay annually, discounted 15 to 25 percent. This will help make up the difference in motor fuels tax revenue, and would implement a system for properly taxing alternatively fueled vehicles before decreased tax revenue becomes a serious issue.

As proposed, S.B. 1076 amends current law relating to imposing an additional fee for the registration of an alternatively fueled vehicle.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted the board of 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 include Section 502.360 among the sections that are exceptions to the application of this section (Disposition of Fees Generally) to all fees collected by a county assessor-collector under this chapter (Registration of Vehicles).

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

Sec. 502.360. ADDITIONAL FEE FOR ALTERNATIVELY FUELED VEHICLES. (a) Defines "alternatively fueled vehicle" for purposes of this section.

(b) Requires an applicant for registration or renewal of registration of an alternatively fueled vehicle, in addition to other fees authorized under this chapter, at the time of application, to pay an additional fee as determined by the Texas Department of Motor Vehicles (TxDMV) under Subsection (c).

(c) Requires TxDMV, for each class of vehicle registered under this chapter, to:

(1) develop a methodology for determining the fee under Subsection (b) that calculates the fee based on the average annual amount of taxes imposed under Chapter 162 (Motor Fuel Tax), Tax Code, that an alternatively fueled vehicle of that class of vehicle would pay if the vehicle operated only on gasoline or diesel fuel; and

(2) set the fee in an amount of not less than 75 percent and not more than 85 percent of the amount calculated under Subdivision (1).

(d) Requires TxDMV to review and update each fee calculated under Subsection (c) at least once every five years.

(e) Authorizes an alternatively fueled vehicle that may be registered under this chapter without payment of a registration fee to be registered without payment of the additional fee.

(f) Requires the additional fee to be collected for an alternatively fueled vehicle when other fees imposed under this chapter are collected.

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

(h) Requires the board of TxDMV to adopt rules necessary to administer registration for an alternatively fueled vehicle under this section.

SECTION 3. Effective date: September 1, 2019.