

BILL ANALYSIS

Senate Research Center

S.B. 1728
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many Texans are choosing alternatively fueled vehicles (AFVs) to go about their daily commute. As more of these vehicles drive on Texas roads, there are concerns about how they contribute to the funding of the roads which they use. Currently, Texas uses the gasoline/diesel fuel tax to fund transportation projects; however, with the growing use of AFVs, the revenue from the fuel tax is decreasing, which diminishes our ability to fund road improvements for all drivers. AFVs use the same roads as petroleum-powered vehicles, thus they should be subject to an equalization of road use consumption amount.

S.B. 1728 addresses these concerns by creating a equalization consumption amount for AFVs, based upon the vehicle class. This aims to solve a growing problem where only petroleum-powered vehicles are paying into the transportation fund while all vehicles benefit from this funding.

As proposed, S.B. 1728 amends current law relating to the equalization for road use consumption for alternatively fueled vehicles imposed at the time of registration or registration renewal and authorizes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to 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 exceptions to the applicability of Section 502.198 (Disposition of Fees Generally) to all fees collected by a county assessor-collector under Chapter 502 (Registration of Vehicles).

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

Sec. 502.360. **EQUALIZATION FOR ROAD USE CONSUMPTION FOR ALTERNATIVELY FUELED VEHICLES.** (a) Defines "alternatively fueled vehicle," "conventionally fueled vehicle," "hybrid electric vehicle," and "natural gas vehicle."

(b) Requires the applicant, in addition to other fees authorized under Chapter 502, at the time of application for registration or renewal of registration of an alternatively fueled vehicle, other than a vehicle subject to a fee under Subsection (c) or (d), to pay an additional fee according to the gross weight of the vehicle as set forth in this subsection.

(c) Requires the applicant, in addition to other fees authorized under this chapter, at the time of application for registration or renewal of registration of a hybrid electric vehicle, to pay an additional fee according to the gross weight of the vehicle as set forth in this subsection.

(d) Requires the applicant, in addition to other fees authorized under this chapter, at the time of application for registration or renewal of registration of a natural gas vehicle, to pay an additional fee in an amount equal to the difference between the amounts calculated under Subsections (e)(1) and (2) for that class of vehicle.

(e) Requires the Texas Department of Motor Vehicles (TxDMV) to, for each class of natural gas vehicle, calculate:

(1) the average annual amount of taxes imposed under Chapter 162 (Motor Fuel Taxes), Tax Code, that a conventionally fueled vehicle of that class would pay; and

(2) the average annual amount of taxes imposed under that chapter that a natural gas vehicle of that class would pay.

(f) Requires TxDMV to review and update the fee calculated under Subsection (e) at least once every five years.

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

(h) Requires the board of TxDMV to adopt rules necessary to administer this section.

SECTION 3. Effective date: September 1, 2021.