

## **BILL ANALYSIS**

Senate Research Center  
86R12824 AAF-D

S.B. 1216  
By: Schwertner  
Transportation  
4/1/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas currently uses the gasoline tax to fund transportation projects, but with the growing use of alternatively fueled vehicles (AFV) the revenue from the gasoline tax is decreasing even though AFVs use the same roads as gas powered vehicles. This leads to a growing problem where gasoline-powered vehicles are paying into the transportation fund while all vehicles benefit from this funding.

S.B. 1216 seeks to address this unfair tax on gasoline-powered vehicles by creating a fee for AFVs.

#### Key Provisions for S.B. 1216

- Requires the Texas Department of Motor Vehicles (TxDMV) to create a fee for AFVs based on vehicle miles traveled. This fee would be charged during registration of their vehicle.
- Tasks TxDMV with determining a rate similar to the amount a gasoline powered vehicle would pay for the gas tax. This rate would adjust for vehicles based on their weight, which ensures that heavy vehicles that cause more damage to roads are fairly billed.

As proposed, S.B. 1216 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 in an amount equal to the product of:

(1) the number of miles driven by the alternatively fueled vehicle in the preceding year; and

(2) the amount calculated under Subsection (c) for that class of vehicle.

(c) Requires the Texas Department of Motor Vehicles (TxDMV), for each class of vehicle registered under this chapter (Registration of Vehicles), to calculate the average amount of taxes imposed under Chapter 162 (Motor Fuel Taxes), Tax Code, that a vehicle operating only on gasoline or diesel fuel pays for each mile driven.

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

(e) 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.