

## **BILL ANALYSIS**

Senate Research Center  
86R21728 JRR-D

C.S.S.B. 531  
By: Birdwell  
Natural Resources & Economic Development  
4/6/2019  
Committee Report (Substituted)

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

During the 85th Regular Session, S.B. 1731 by Sen. Birdwell extended the Texas Emissions Reduction Plan (TERP) until the state reaches attainment and all litigation related to the Clean Air Act has been resolved and concluded. However, the fees and surcharges were not extended in the legislation and four of the five funding sources will expire August 31, 2019. One of the funding sources—the certificate of title fee revenue—is deposited to the Texas Mobility fund will not expire, but the mechanism transferring money out of the state highway fund (Fund 6) and into the TERP account in an amount equal to a portion of what was remitted to the Texas Mobility Fund expires August 31, 2019.

The proposed bill would not only extend all of the fees and surcharges set to expire on August 31, 2019, but will also extend the transfer mechanism as well. The proposed bill would extend all of the fees and surcharges set to expire on August 31, 2019. The following is a list and description of the fees and surcharges that the bill would extend:

1. Section 151.0515(b), Tax Code: 1.5 percent surcharge on sale price or lease or rental amount of off-road diesel equipment sold, rented, or leased;
2. Section 152.0215(a), Tax Code: 2.5 percent surcharge on the total consideration on the sale or lease of pre-1997 on-road diesel vehicles over 14,000 pounds, and a 1 percent surcharge for vehicles made after 1997;
3. Section 502.358, Transportation Code: 10 percent surcharge on the total fees due for the registration of truck-tractors and commercial motor vehicles; and
4. Section 548.5055, Transportation Code: a \$10 fee on commercial motor vehicles required to have an annual safety inspection.

The net effect of the bill would be to retain the status quo of the current funding structure for TERP for another two years as the fees and surcharges will expire August 31, 2021. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 531 amends current law relating to sources of funding for the Texas emissions reduction plan.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 151.0515(d), Tax Code, to provide that this section (Texas Emissions Reduction Plan Surcharge) expires August 31, 2021, rather than August 31, 2019.

SECTION 2. Amends Section 152.0215(c), Tax Code, to make a conforming change.

SECTION 3. Amends Section 501.138(b-3), Transportation Code, to provide that this subsection and Subsection (b-2) (relating to fees being collected by certain entities and deposited into certain funds) expire August 31, 2021, rather than August 31, 2019.

SECTION 4. Amends Section 502.358(c), Transportation Code, to make a conforming change.

SECTION 5. Amends the heading to Section 548.5055, Transportation Code, to read as follows:

Sec. 548.5055. TEXAS EMISSIONS REDUCTION PLAN FEE.

SECTION 6. Amends Sections 548.5055(b) and (c), Transportation Code, as follows:

(b) Requires the Department of Public Safety of the State of Texas to remit fees collected under this section to the comptroller of public accounts of the State of Texas (comptroller) at the time and in the manner prescribed by the comptroller for deposit in the Texas emissions reduction plan fund, rather than in the Texas emission reduction plan fund.

(c) Provides that this section expires August 31, 2021, rather than August 31, 2019.

SECTION 7. Repealer: Section 8(a-2) (relating to the continuation of funding for certain programs until the last day of the state fiscal biennium), Chapter 755, Acts of the 85th Legislature, Regular Session, 2017.

Repealer: Section 8(b) (relating to any conflict between Section (a-2) and this section), Chapter 755, Acts of the 85th Legislature, Regular Session, 2017.

SECTION 8. Effective date: August 30, 2019.