

# LOCAL OPTION VEHICLE REGISTRATION

## Description

The state of Texas requires all vehicles registered in the state to pay a state vehicle registration fee. Local regions could require an additional vehicle registration fee that would be collected and spent locally on transportation programs.

## How Will This Help?

- **Provide additional funds for local projects.** Creating a local vehicle registration fee would provide funds to reduce local traffic congestion and help maintain the safety and quality of local roadways. Every vehicle owner in the state pays a statewide vehicle registration fee. That fee goes into a statewide coffer and is distributed based on a statewide transportation plan. Locally collected fees can be dedicated solely for *local* transportation projects.
- **Increase the number of projects completed.** Having additional local revenue could mean a project's schedule gets moved up or scope gets expanded. Additional revenue could also result in additional projects being funded.

## What's the Down-Side?

- **General opposition to fee increases.** The Legislature and the public have recently been opposed to any tax or fee increases.
- **Additional local fees may dissuade new businesses.** The local fee will only apply to those vehicle owners who reside and register their vehicles locally. A large additional fee may deter new businesses and residents- slowing economic growth.

## Estimated Funding Yield

**Local \$5 fee would, from 2014 to 2017, yield an estimated:**

- \$37 million in Austin
- \$111 million in Dallas- Ft. Worth
- \$106 million in Houston
- \$40 million in San Antonio

**Local \$25 fee would, from 2014 to 2017, yield an estimated:**

- \$183 million in Austin
- \$554 million in Dallas- Ft. Worth
- \$529 million in Houston
- \$200 million in San Antonio

## Implementation Issues

- Low cost to implement.
- No new technology or increased costs of compliance.
- Legislative action is required to allow and implement this funding change and perhaps voter approval.
- Local voter/users would need to be educated regarding the costs and benefits.



## Around the Nation

In 2008, the state of **Virginia** allowed county governments with major transportation needs to raise an additional \$20 for each vehicle registered. (HB 6042)