

STATE VEHICLE REGISTRATION FEES

Description

The state of Texas requires all personal car and light truck owners to pay an annual \$50.75 state vehicle registration fee. For commercial vehicles, the registration fee is based on the weight of the vehicle, and these fees range from \$54 to more than \$840. The County Tax Assessor-Collector collects this fee, and nearly 100 percent of these funds go directly toward transportation-related purposes. Additionally, the county has the option to impose an extra fee on top of the statewide fee. The optional county fees include: Road and Bridge fee, Child Safety fee, and Regional Mobility fee. The optional county fee averages about \$10.



Registration Fees

Motorcycles and Mopeds	\$30.00
0-6,000 lbs. Trailers	\$45.00
Passenger Vehicles	\$50.75
Light Trucks	\$50.75

Weight Classification Registration Fees

6,001-9999 lbs.	\$54.00
10,000-17,999 lbs.	\$110.00
18,000-25,999 lbs.	\$205.00
26,000-39,999 lbs.	\$340.00
40,000-54,999 lbs.	\$535.00
55,000-69,999 lbs.	\$740.00
70,000-80,000 lbs.	\$840.00
Over 80,000 lbs.	Varies

Who: State

Cost to Collect: Low

Sustainability: ●●●●○

Reliability: ●●●●○

Implementation: Easy

How Will This Help?

100 percent of funds would go to transportation – While only 75 percent of funds from gas and diesel tax revenues go toward funding transportation, state law dedicates 100 percent of vehicle registration fees to transportation.

Fee is not affected by increased fuel efficiency – Fuel tax revenues will likely decrease over time. The expected growth in future population means more people traveling on the roadways and consuming more fuel. However, today's more fuel efficient cars and trucks pay lower fuel tax per mile than when the tax rates were last set twenty years ago. As vehicles become more fuel efficient and alternative fuel vehicles become more common, the number of gallons needed to go the same distance will decrease. While benefits such as a smaller carbon footprint and the ability to travel further per gallon are gained, the resulting decrease in fuel consumption means less gas and diesel tax revenue raised to tackle the rising transportation needs. The statewide vehicle registration fee is a flat fee. The revenue produced from a fee increase would vary only with the number of vehicles on the road.

Ensure funds keep pace with rising highway construction costs – Since 1991, roadway construction costs have almost doubled. Increasing the state vehicle registration fee would help boost transportation revenues that will decline as fuel efficiency increases.

For more information, please refer to: <http://mobility.tamu.edu/mip/strategies.php>.

Reduce need for excessive borrowing – Texas has increasingly turned to debt mechanisms such as bonds as a way to finance transportation improvements. Texas could help slow a growing trend of using the “credit card” to pay for roadway projects by increasing the state vehicle registration fee.

Fee increase will affect all drivers equally – A fee increase that is a set dollar amount will affect all registered vehicle owners equally regardless of their fuel consumption.

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. Recently, the fee schedule was reorganized to reduce the number of categories and fees, making the new schedule easier to understand. The new fee schedule actually provided the public with a decrease in the passenger vehicle registration fee.
- **“Free-Rider” problem** – Gas and diesel taxes are user fees, meaning drivers pay a flat 20 cents for every gallon they consume driving on the roadways. A registration fee increase would mean that all vehicle owners, whether one drives 1 mile or 20,000 miles a year, would pay the same fee.
- **The number of unregistered vehicles may increase** – An increase in price may cause the number of unregistered vehicles to increase.

Estimated Funding Yield

Increase fee by \$5: \$467 million more for transportation from 2014 to 2017.

Increase fee by \$25: \$2.3 billion more for transportation from 2014 to 2017.

Implementation Issues

- Very low cost to implement, no new technology or increased costs of compliance.
- Legislative action is required to implement this funding change.
- Voters/users would need to be educated regarding the costs and benefits.



Other States

Current Vehicle Registration Fees (including other miscellaneous fees) in peer states and their ranking:

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|-------------------|----------------|-------------------------------|
| ▪ Illinois: | \$99.00 | Ranked 6 th |
| ▪ Michigan: | \$86.00 | Ranked 9 th |
| ▪ California: | \$77.00 | Ranked 13 th |
| ▪ Florida: | \$70.75 | Ranked 16 th |
| ▪ Texas: | \$62.75 | Ranked 18th |
| ▪ Pennsylvania: | \$36.00 | Ranked 33 rd |
| ▪ Ohio: | \$34.50 | Ranked 35 th |
| ▪ New York: | \$29.50 | Ranked 39 th |
| ▪ North Carolina: | \$28.00 | Ranked 40 th |
| ▪ Georgia: | \$20.00 | Ranked 47 th |

Around the Nation

Kansas increased registration fees by \$20 to fund a comprehensive transportation investment package in 2009. (HB 2650)

South Dakota in 2009 enacted legislation that would raise registration fees by \$18 over a four-year period. (HB 1192)

Colorado: Increased registration fees by \$31 to total \$41 (SB 108, 2009).