

New Fee for Electric Vehicles to Start in Texas in September



By Tony Rached

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Starting September 1, 2023, electric vehicle (EV) owners in Texas will have to pay more to register their vehicles. The new law, which was signed by Governor Greg Abbott in May, establishes a \$400 fee to register a new EV in Texas, in addition to a \$200 annual fee thereafter.

This is in addition to the standard annual vehicle registration fee of \$50.75 for most passenger vehicles/trucks.



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Why is This Fee Necessary?

The new fees were approved by the Texas Legislature and signed into law by Governor Greg Abbott in May. The law's supporters say it is necessary to make sure that electric vehicle owners are paying their part of the cost of road maintenance and construction. They argue that electric vehicles do not pay gasoline taxes, which are a major source of revenue for the state's highway fund.

Senator Robert Nichols, author of Senate Bill 505, declares the goal of the law is to measure how much money is lost when all-electric vehicles hit the road, state and federal, and compensate it with the new tax.

Controversy

However, critics of the law argue that it is unfair to EV owners, who are already paying more for their vehicles upfront and who do not contribute to air pollution. They also point out that Texas is not the only state that charges EV owners a special registration fee.

As of 2023, at least 32 states require special registration fees for electric vehicles, and 19 other states charge extra for plug-in vehicles.



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More Changes to Come

In addition to the new EV registration fees, Texas is also making changes to its speed limit laws. House Bill 1885, which takes effect on September 1, allows Texas Department of Transportation (TxDOT) engineers at the local level to temporarily lower speed limits on state roads and highways for situations like extreme weather and construction. TxDOT approval is not exactly required for the decisions to be made. Signs must indicate the changes to the speed limit that, by law, should not be less than 10 miles compared to the general limit.

EV owners in Williamson County, Texas, who have their registration expiring in September or October of this year can avoid the new fees by renewing their registration before September 1. However, EV owners whose registration expires after October will have to pay the new fees.

For more news and updates on the EV market, follow our blog: [Auto Appraiser Blog](#)