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New simplified vehicle registration fee structure starts in September

AUSTIN – A new system that standardizes and simplifies registration fees for nearly every vehicle owner in Texas begins September 1, 2011.

Currently, Texas has 1,745 fee categories for registration. That number is being reduced to nine weight classifications. The simplified structure makes it easier for Texans to know what they owe, and reduces administrative costs for the state, counties and private businesses.

“Under this new fee structure, Texas’ registration fees are among the lowest when compared to the country’s 12 largest states,” said Executive Director Ed Serna of the Texas Department of Motor Vehicles. “At the same time this new, simplified fee structure will ensure the state does not lose any of its current registration revenue.”

Registration fees contribute more than \$1 billion each year to the state highway fund, which is used to build and maintain Texas’ roads and bridges. There are more than 21 million registered vehicles in Texas.

Car and truck owners whose vehicles weigh 6,000 pounds or less will pay a base vehicle registration fee of \$50.75. This is a slight reduction – about \$8 - from the previous registration fee for new vehicle owners, and a small increase – around \$10 - for those with older vehicles. “Whenever you make a fixed fee for everyone you have to look at creating some kind of middle number,” Serna said.

Some Texans also will pay a new \$1 automation fee. This fee was assessed in Texas’ largest 60 counties, but now applies statewide. The automation fee is used for improvements to the registration and titling computer system. Vehicle owners will continue to pay the \$1 Department of Public Safety fee for TexasSure, the electronic insurance verification program, and any local county fees.

“This creates consistency for every vehicle owner in the state,” said Deborah Hunt, the Williamson County tax assessor-collector. “Vehicle owners will no longer have to contend with the fluctuations that were part of the previous fee schedule and no matter which of the 254 counties you live in or move to in Texas, the base state registration fee is going to be the same.”

Fees being eliminated include the annual 30-cent reflectorization fee (used to purchase the reflective license plate sheeting) that was on every registration renewal and the \$5 charge for license plate transfers. Texans who transfer their plates when they sell or trade in their vehicle to the new one they buy are protected from anyone running up toll charges or committing criminal activity that traces back to their name.

Those with heavy vehicles (more than 6,000 pounds) where registration fees were previously calculated by 100-pound weight increments in 1,600 fee categories will now find their registration fees fall into seven weight classifications.

“This fee modification will save time and money, positively affecting the more than 15,000 trucking companies across the state as well as the hundreds of thousands of professional truck drivers who live and work in Texas,” said John D. Esparza, president and chief executive officer of the Texas Motor Transportation Association. “We are pleased that this new structure simplifies and standardizes a convoluted system and modernizes an outdated process.

“We applaud the Texas Department of Motor Vehicles for their diligence in overseeing this statewide update,” he said.

Hunt said tax office customers also benefit. “To consolidate 1,600 fees down to seven helps business owners with fleets of trucks and auto dealerships as well as the average citizen,” she said.

“The fee structure was so complex that these businesses needed to depend on tax office personnel to assist them in calculating their annual projected business expenditures,” Hunt added. “By simplifying the fee structure, these businesses will be better able to determine their costs.”

Anytime a service, whether fee simplification or online registration renewal, saves customers’ time it also saves tax office resources, Hunt said.

Fees also change for trailer owners. The 75 different trailer categories, which include travel trailers, are reduced to one annual fee. It will cost \$45 to register any trailer or travel trailer up to 6,000 pounds.

This fee simplification structure was passed by the state legislature two years ago. It represents the first change in Texas’ base vehicle registration fee since 1985.

The new law also standardizes the license plate replacement fee at \$6, and eliminates the fee for classic, cotton, forestry, volunteer firefighter, tow truck, and radio operator license plates.

For details about the fee changes, go to www.TxDMV.gov.

The Texas Department of Motor Vehicles (TxDMV) is charged with overseeing the state’s motor vehicle services that provide consumer protection, assist motor vehicle-related businesses and raise revenue for the state. For every \$1 it spends, the TxDMV returns \$10 to build and maintain highways, roads and bridges and provide needed services to Texans. Each year the agency registers more than 21 million vehicles; regulates more than 23,000 vehicle dealers; credentials buses and big trucks for intrastate and interstate commerce; and awards grants to law enforcement agencies to reduce vehicle burglaries and thefts. Learn more at www.TxDMV.gov.

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ATTN EDITORS: Please update your newsroom stylebook to note the proper acronym for the Texas Department of Motor Vehicles is “TxDMV.” Thank you.