TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AGENDA ITEM REQUEST

for Rulemaking Adoption

AGENDA REQUESTED: August 26, 2026

DATE OF REQUEST: August 7, 2026

INDIVIDUAL TO CONTACT REGARDING CHANGES TO THIS REQUEST, IF NEEDED: Gwen Ricco, Rule/Agenda Coordinator, (512) 239-2678

CAPTION: Docket No. 2025-1859-RUL. Consideration of the adoption of amendments to 30 TAC Chapter 114, *Control of Air Pollution from Motor Vehicles*, Subchapters A and C, and corresponding revisions to the State Implementation Plan (SIP).

This adoption adds necessary provisions to 30 TAC Chapter 114 to fully implement the statutory requirements in Texas Health and Safety Code (THSC), Section 382.202(d-2), as added by Senate Bill (SB) 2102, 88th Texas Legislature, 2023, Regular Session, and consolidated by SB 1729, 89th Texas Legislature, 2025, Regular Session. Section 382.202(d-2) of the THSC provides that, with U.S. Environmental Protection Agency approval of a revision to the SIP, the initial registration and emissions inspection period for new rental vehicles is increased from two years to three years. Additionally, THSC, Section 382.202(d-2) requires that the commission establish and assess fees for the emissions inspection of a new rental vehicle in amounts calculated to provide the same revenue for a three-year registration and inspection period that would be provided if the vehicle was inspected annually or biennially, i.e., that the change to a three-year registration and inspection period is to be revenue neutral. The adoption does not change any fee amounts in 30 TAC Chapter 114. The proposed rules were published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2488). (Stephen Cruz, Terry Salem, Contessa Gay; Rule Project No. 2026-003-114-AI)

Richard C. Chism
Director

Donna F. Huff
Division Deputy Director

Gwen Ricco
Agenda Coordinator

Copy to CCC Secretary? NO ☐ YES ☒

Texas Commission on Environmental Quality
Interoffice Memorandum

To: Commissioners **Date:** August 7, 2026

Thru: Laurie Gharis, Chief Clerk
Kelly Keel, Executive Director

From: Richard C. Chism, Director *RCC*
Office of Air

Docket No.: 2025-1859-RUL

Subject: Commission Approval for Rulemaking Adoption
Chapter 114, Control of Air Pollution from Motor Vehicles
Senate Bill (SB) 2102 and SB 1729 Chapter 114 Initial Rental Vehicle Registration Provisions
Rule Project No. 2026-003-114-AI

Background and reason(s) for the rulemaking:
Eighteen counties in Texas are subject to 30 Texas Administrative Code (TAC) Chapter 114 Inspection and Maintenance (I/M) rules: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant Counties in the Dallas-Fort Worth area; Brazoria, Fort Bend, Galveston, Harris, and Montgomery Counties in the Houston-Galveston-Brazoria area; Travis and Williamson Counties in the Austin-Round Rock area; El Paso County; and, beginning November 1, 2026, Bexar County. All I/M counties will be subject to this rulemaking.

The 88th Texas Legislature, 2023, Regular Session, passed SB 2102, which amended Texas Health and Safety Code (THSC), §382.202 to extend the initial registration and inspection period for new rental vehicles from two years to three years and to require that the emissions inspection fees that would have applied in the additional exemption year be collected.[1] A rulemaking and state implementation plan (SIP) revision were adopted on September 24, 2025, to allow one additional year of exemption from emissions inspections for new rental vehicles; however, the fee component of the legislation was not addressed in those rule and SIP actions (Project Nos. 2025-012-114-AI and 2025-013-SIP-NR).

SB 1729, 89th Texas Legislature, 2025, Regular Session, further amended THSC, §382.202 by consolidating amendments made by SB 2102.[2] The rental vehicle provisions were added to THSC, §382.202(d-2)(1) and (2) with SB 2102 amendments and relocated to THSC, §382.202(d-2) with SB 1729 amendments but were otherwise unaffected.

The adopted rulemaking adds necessary provisions to 30 TAC Chapter 114 to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and amended by SB 1729. Section 382.202(d-2) of the THSC provides that, with U.S. Environmental Protection Agency (EPA) approval of a revision to the SIP, the initial registration and emissions inspection period for new rental vehicles is increased from two years to three years. These amendments do not affect EPA-approved I/M program testing requirements, and therefore, do not interfere with control measures or negatively impact the state's progress towards attainment or reasonable further progress of the 2008 and 2015 eight-hour ozone National Ambient Air Quality Standards (NAAQS) or maintenance of the carbon monoxide NAAQS in El Paso County, which is under an approved limited maintenance plan. Additionally, THSC, §382.202(d-2) requires that the Texas Commission on Environmental Quality (TCEQ or commission) establish and assess fees for the emissions inspection of a new rental vehicle in amounts calculated to provide the same revenue for a three-

[1] Tex. S.B. 2102, 88th Leg., R.S. (2023).
[2] Tex. S.B. 1729, 89th Leg., R.S. (2025).

year registration and inspection period that would be provided if the vehicle was inspected annually or biennially. The change to a three-year registration and inspection period is also required to be revenue neutral.

Emissions inspection fees are not required for new vehicles at initial registration for the first two years. THSC, §382.202(d-2) extends compliance with vehicle emissions inspection requirements to three years for new rental vehicles, pending SIP approval; however, the state must still collect the vehicle emissions inspection fee for the second year even though no inspection is required because THSC, §382.202(d-2) requires revenue neutrality. These fees need to be paid up front during initial rental vehicle registration because the state cannot ensure that the rental vehicle would be registered in Texas at the time of its first annual registration.

Scope of the rulemaking:
The rulemaking adoption amends 30 TAC Chapter 114, Subchapters A and C, to implement changes made in THSC, §382.202(d-2) by SB 2102 and SB 1729. The associated adopted SB 2102 and SB 1729 Implementation I/M SIP Revision (Project No. 2026-004-SIP-NR) incorporates the adopted I/M rules into the SIP.

SB 2102 requires rulemaking to make revisions to 30 TAC Chapter 114, Subchapters A and C and the I/M program included in the SIP to assess fees for rental vehicles at the time of initial vehicle registration in lieu of the portion of the vehicle emissions inspection fees specified by THSC, §382.202(e) that would otherwise have been assessed for a vehicle's first emissions inspection when the vehicle becomes two years old. The rulemaking will assess emissions inspection fees for rental vehicles at the time of initial registration to comply with the statutory requirement in THSC, §382.202(d-2) to provide the same revenue that would be provided if the vehicle was inspected annually or biennially and ensure revenue neutrality.

The adopted rule adds definitions for "annual vehicle registration" and "initial rental vehicle registration." This rulemaking will only affect owners of new rental vehicles and does not change any fee amounts in 30 TAC Chapter 114.

A.) Summary of what the rulemaking will do:
The rulemaking will assess emissions inspection fees for new rental vehicles at the time of initial registration to comply with the statutory requirement to provide the same revenue that would be provided if the vehicle was inspected annually or biennially. The associated SIP revision incorporates the adopted I/M rules into the SIP. The rulemaking amends 30 TAC Chapter 114, Subchapters A and C to implement the changes made in THSC, §382.202(d-2) by SB 2102 and SB 1729.

B.) Scope required by federal regulations or state statutes:
The rulemaking and associated SIP revision require rental vehicle owners to remit, at the time of initial vehicle registration, the portion of the vehicle emissions inspection fees specified by THSC, §382.202(e) that would otherwise have been assessed for a vehicle's first emissions inspection when the vehicle becomes two years old. The adopted rule reflects the requirement in THSC, §382.202(d-2), as incorporated by SB 2102 and SB 1729, that the statutory extension of the start of emissions inspection compliance for rental vehicles from two-year to three-year old vehicles be revenue neutral.

C.) Additional staff recommendations that are not required by federal rule or state statute:
None.

Statutory authority:
Texas Water Code (TWC), §5.102, General Powers
TWC, §5.103, Rules
TWC, §5.105, General Policy
THSC, §382.002, Policy and Purpose
THSC, §382.011, General Powers and Duties
THSC, §382.012, State Air Control Plan
THSC, §382.017, Rules
THSC, §382.0622, Clean Air Act Fees
THSC, §382.202, Vehicle Emissions Inspection and Maintenance Program
THSC, §382.203, Vehicles Subject to Program; Exemptions
THSC, §382.205, Inspection Equipment and Procedures

Effect on the:

A.) Regulated community:
This rulemaking only affects owners of new rental vehicles. Owners of new rental vehicles will remit vehicle emissions inspection fees at the time of initial vehicle registration in lieu of paying the vehicle emissions inspection fees that would otherwise have been remitted when the vehicle becomes two years old.

B.) Public:
Inspections for any vehicle subject to emissions inspection requirements in 30 TAC Chapter 114, Subchapters A and C that is not a rental vehicle will not be affected by the rulemaking adoption.

C.) Agency programs:
None.

Stakeholder meetings:
The commission did not hold any stakeholder meetings related to this rulemaking.

Public Involvement Plan
Yes.

Alternative Language Requirements
Yes. Spanish.

Public comment:
The public comment period opened on April 3, 2026, and closed on May 19, 2026. The commission held a virtual public hearing on May 14, 2026, at 2:00 p.m. Notice of the public hearing was published in English in the *Dallas Morning News*, *El Paso Times*, *Houston Chronicle,* and *San Antonio Express-News* newspapers on April 3, 2026, and in the *Austin-American Statesman* on April 6, 2026. Notice of the public hearing was published in Spanish in *El Diario de El Paso* on April 3, 2026, in *Al Día, Hoy en Austin,* and the *San Antonio Express-News* on April 8, 2026, and in *La Voz* on April 15, 2026. Notices were also posted in English and Spanish and distributed to subscribers through GovDelivery and posted to TCEQ's website, and a notice was published in English in the *Texas Register* on April 17, 2026 (51 TexReg 2527). A plain language summary was provided in both English and Spanish. TCEQ staff were present and opened the hearing for public comment on this project as well as the concurrent I/M SIP revision (Project No. 2026-004-SIP-NR), and instructions for participating in the hearing were provided in Spanish. The hearing was recorded and a transcript was prepared. During the comment period, one individual provided oral

comments at the public hearing, and the same individual submitted written comments. The comments were outside the scope of the rulemaking and associated SIP revision.

Significant changes from proposal:
None.

Potential controversial concerns and legislative interest:
None.

Will this rulemaking affect any current policies or require development of new policies?
This rulemaking will not affect any current policies or require development of new policies.

What are the consequences if this rulemaking does not go forward? Are there alternatives to rulemaking?
There is no alternative to rulemaking and a revision to the SIP to implement THSC, §382.202(d-2) requirements, as incorporated by SBs 2102 and 1729.

Key points in the adoption rulemaking schedule:
Texas Register proposal publication date: April 17, 2026
Anticipated _Texas Register_ adoption publication date: September 11, 2026
Anticipated effective date: September 17, 2026
Six-month _Texas Register_ filing deadline: October 17, 2026

Agency contacts:
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Gwen Ricco, Texas Register Rule/Agenda Coordinator, General Law Division, (512) 239-2678

Attachments:
Senate Bill 1729
Senate Bill 2102

cc: Chief Clerk, 2 copies
Executive Director's Office
Patrick Lopez
Jessie Powell
Kevin Patteson
Office of General Counsel
Stephen Cruz
Contessa N. Gay
Terry G. Salem
Gwen Ricco

AN ACT

relating to the registration and inspection of vehicles.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 382.0622(a), Health and Safety Code, as amended by Chapters 362 (S.B. 2102) and 851 (H.B. 3297), Acts of the 88th Legislature, Regular Session, 2023, is reenacted and amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) each amount designated [~~described~~] by Section 548.510 [~~Sections 548.510(d)(3) and (e)(3)~~], Transportation Code, for deposit to the credit of the clean air account; and

[~~(3) $6 from the portion of each fee collected for an inspection of a vehicle and remitted to the state under Section 548.5035, Transportation Code; and~~]

(3) fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION 2. Section 382.202(d-2), Health and Safety Code, is amended to read as follows:

(d-2) If approved by the United States Environmental Protection Agency as part of the state's air quality state implementation plan, [~~provides for a three-year emissions~~

~~inspection period for a vehicle described by Section 548.1025(a), Transportation Code:~~

[~~(1) the system implemented by~~] the Department of Public Safety of the State of Texas shall provide under Subsection (d) [~~shall provide~~] for a three-year emissions inspection period for a vehicle registered under [~~described by~~] Section 502.0026 [~~548.1025(a)~~], Transportation Code. The[~~; and~~

[~~(2) the~~] commission shall establish and assess fees for an [~~the~~] emissions inspection conducted under this section [~~of a vehicle described by Section 548.1025(a), Transportation Code,~~] in amounts calculated to provide the same revenue that would be provided if the vehicle was inspected annually or biennially.

SECTION 3. Section 502.0026(b), Transportation Code, is amended to read as follows:

(b) Payment for all applicable fees, including any optional fee imposed under Subchapter H and other registration fees and the fee required by Section 548.510 [~~548.5035~~], for the entire registration period is due at the time of registration.

SECTION 4. Section 502.044, Transportation Code, is amended by adding Subsection (a-1) and amending Subsection (e) to read as follows:

(a-1) Notwithstanding Subsection (a), the department shall designate a vehicle registration period of 24 consecutive months to begin on the first day of a calendar month and end on the last day of the 24th calendar month for a passenger car or light truck that:

(1) is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this

state;

(2) has not been previously registered in this or another state; and

(3) on the date of sale is of the current or preceding model year.

(e) The department shall use the date of sale of the vehicle in designating the registration period [~~year~~] for a vehicle for which registration is applied [~~for~~] under Section 501.0234.

SECTION 5. The heading to Section 548.510, Transportation Code, as amended by Chapters 851 (H.B. 3297) and 999 (H.B. 198), Acts of the 88th Legislature, Regular Session, 2023, is reenacted to read as follows:

Sec. 548.510. INSPECTION PROGRAM REPLACEMENT FEE.

SECTION 6. Section 548.510(a), Transportation Code, as amended by Chapters 851 (H.B. 3297) and 999 (H.B. 198), Acts of the 88th Legislature, Regular Session, 2023, is reenacted and amended to read as follows:

(a) In [~~Except as provided by Subsections (b) and (c), in~~] addition to other fees imposed at the time of registration, at the time of application for initial registration or renewal of registration of a motor vehicle, trailer, semitrailer, pole trailer, or mobile home, the applicant shall pay an annual fee of $7.50.

SECTION 7. Section 548.510, Transportation Code, is amended by amending Subsections (b) and (c) and adding Subsection (e-1) to read as follows:

(b) Instead of the fee provided by Subsection (a), an

applicant shall pay a one-time fee of $16.75 if the application is for the initial registration of a passenger car or light truck under Section 502.044(a-1) [~~that:~~

[~~(1) is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this state;~~

[~~(2) has not been previously registered in this or another state; and~~

[~~(3) on the date of sale is of the current model year or preceding model year~~].

[~~(c)~~] An applicant who pays a fee under this subsection [~~Subsection (b)~~] for a registration year is not required to pay a fee under Subsection (a) for the next registration year for the same vehicle.

(c) Instead of the fee provided by Subsection (a) or (b), an applicant shall pay a one-time fee of $22.25 if the application is for the initial registration of a passenger car or light truck under Section 502.0026. An applicant who pays a fee under this subsection for a registration year is not required to pay a fee under Subsection (a) for the next two registration years for the same vehicle.

(e-1) Each fee paid under Subsection (c) shall be deposited by the comptroller after receipt under Section 548.509 as follows:

(1) $16.25 to the credit of the Texas mobility fund; and

(2) $6 to the credit of the clean air account.

SECTION 8. The following sections of the Transportation

Code are repealed:

(1) 548.051(a) and (c);

(2) 548.052;

(3) 548.054;

(4) 548.1025;

(5) 548.104(d);

(6) 548.501(a); and

(7) 548.5035.

SECTION 9. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1729 passed the Senate on April 10, 2025, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1729 passed the House on May 10, 2025, by the following vote: Yeas 116, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

AN ACT

relating to the initial registration and inspection period for certain rental vehicles; authorizing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 382.0622(a), Health and Safety Code, is amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) $2 from the portion of each fee collected for inspections of vehicles other than mopeds and remitted to the state under Sections 548.501 and 548.503, Transportation Code;

(3) $6 from the portion of each fee collected for an inspection of a vehicle and remitted to the state under Section 548.5035, Transportation Code; and

(4) [~~(3)~~] fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION 2. Section 382.202, Health and Safety Code, is amended by amending Subsection (d) and adding Subsection (d-2) to read as follows:

(d) Except as provided by Subsection (d-2), on [~~On~~] adoption of a resolution by the commission and after proper notice, the Department of Public Safety of the State of Texas shall implement a

system that requires, as a condition of obtaining a passing vehicle inspection report issued under Subchapter C, Chapter 548, Transportation Code, in a county that is included in a vehicle emissions inspection and maintenance program under Subchapter F of that chapter, that the vehicle, unless the vehicle is not covered by the system, be annually or biennially inspected under the vehicle emissions inspection and maintenance program as required by the state's air quality state implementation plan. The Department of Public Safety shall implement such a system when it is required by any provision of federal or state law, including any provision of the state's air quality state implementation plan.

(d-2) If the state's air quality state implementation plan provides for a three-year emissions inspection period for a vehicle described by Section 548.1025(a), Transportation Code:

(1) the system implemented by the Department of Public Safety of the State of Texas under Subsection (d) shall provide for a three-year emissions inspection period for a vehicle described by Section 548.1025(a), Transportation Code; and

(2) the commission shall establish and assess fees for the emissions inspection of a vehicle described by Section 548.1025(a), Transportation Code, in amounts calculated to provide the same revenue that would be provided if the vehicle was inspected annually or biennially.

SECTION 3. Subchapter A, Chapter 502, Transportation Code, is amended by adding Section 502.0026 to read as follows:

Sec. 502.0026. EXTENDED REGISTRATION OF CERTAIN RENTAL VEHICLES. (a) Notwithstanding Section 502.044, the initial

registration period is three years for a passenger car or light truck:

(1) that is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this state;

(2) that has not been previously registered in this or another state;

(3) that on the date of sale is of the current or preceding model year; and

(4) for which a rental certificate has been furnished as described by Section 152.061(b), Tax Code.

(b) Payment for all applicable fees, including any optional fee imposed under Subchapter H and other registration fees and the fee required by Section 548.5035, for the entire registration period is due at the time of registration.

SECTION 4. Subchapter C, Chapter 548, Transportation Code, is amended by adding Section 548.1025 to read as follows:

Sec. 548.1025. THREE-YEAR INITIAL INSPECTION PERIOD FOR CERTAIN RENTAL VEHICLES. (a) Notwithstanding any other law, the initial inspection period is three years for a passenger car or light truck:

(1) that is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this state;

(2) that has not been previously registered in this or another state;

(3) that on the date of sale is of the current or

preceding model year; and

(4) for which a rental certificate has been furnished as described by Section 152.061(b), Tax Code.

(b) This section does not affect a requirement that a motor vehicle emissions inspection be conducted in a county covered by an inspection and maintenance program approved by the United States Environmental Protection Agency under Section 548.301 and the Clean Air Act (42 U.S.C. Section 7401 et seq.).

SECTION 5. Section 548.501(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Sections 548.503, 548.5035, and 548.504, the fee for inspection of a motor vehicle other than a moped is $12.50. The fee for inspection of a moped is $5.75.

SECTION 6. Subchapter H, Chapter 548, Transportation Code, is amended by adding Section 548.5035 to read as follows:

Sec. 548.5035. INITIAL THREE-YEAR INSPECTION OF CERTAIN RENTAL VEHICLES. (a) The fee for inspection of a passenger car or light truck under Section 548.1025 shall be set by the department by rule on or before September 1 of each year.

(b) A fee set by the department under this section must:

(1) be based on the costs of providing inspections and administering the program; and

(2) be calculated to ensure that the state receives at least the same amount of revenue from the fee over a three-year period that the state would have received if the vehicle was subject to Section 548.102.

(c) The department by rule shall establish the amount of the

fee for an inspection under this section that shall be remitted to the state under Section 548.509.

SECTION 7. (a) As soon as practicable in the Texas Commission on Environmental Quality's ordinary course of business, the commission shall submit for the approval of the United States Environmental Protection Agency a revision of the state's air quality state implementation plan to provide for a three-year emissions inspection period for a vehicle described by Section 548.1025(a), Transportation Code, as added by this Act.

(b) On the approval of a revision to the state's air quality state implementation plan described by Subsection (a) of this section, the Public Safety Commission shall adopt rules and processes necessary to implement and administer the revised plan.

SECTION 8. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2102 passed the Senate on April 20, 2023, by the following vote: Yeas 30, Nays 1; and that the Senate concurred in House amendment on May 17, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 2102 passed the House, with amendment, on May 12, 2023, by the following vote: Yeas 128, Nays 12, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) adopts amendments to 30 Texas Administrative Code (TAC) §§114.2, 114.53, and 114.87.

Amended §§114.2, 114.53, and 114.87 are adopted without changes to the proposed text as published in the April 17, 2026, issue of the *Texas Register* (51 TexReg 2488) and, therefore, will not be republished.

Adopted amended §§114.2, 114.53, and 114.87 will be submitted to the U.S. Environmental Protection Agency (EPA) as a revision to the State Implementation Plan (SIP).

Background and Summary of the Factual Basis for the Adopted Rules

Eighteen counties in Texas are subject to 30 TAC Chapter 114 Inspection and Maintenance (I/M) rules: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant Counties in the Dallas-Fort Worth (DFW) area; Brazoria, Fort Bend, Galveston, Harris, and Montgomery Counties in the Houston-Galveston-Brazoria (HGB) area; Travis and Williamson Counties in the Austin-Round Rock area; El Paso County; and, beginning November 1, 2026, Bexar County. All I/M counties are subject to this rulemaking.

The 88th Texas Legislature, 2023, Regular Session, passed Senate Bill (SB) 2102, which amended Texas Health and Safety Code (THSC), §382.202 to extend the initial

registration and inspection period for new rental vehicles from two years to three years and to require that the emissions inspection fees that would have applied in the additional exemption year be collected. A rulemaking and SIP revision were adopted on September 24, 2025, to allow one additional year of exemption from emissions inspections for new rental vehicles; however, the fee component of the legislation was not addressed in those rule and SIP actions (Project Nos. 2025-012-114-AI and 2025-013-SIP-NR).

Senate Bill 1729, 89th Texas Legislature, 2025, Regular Session, further amended THSC, §382.202 by consolidating amendments made by SB 2102. The rental vehicle provisions were added to THSC, §382.202(d-2)(1) and (2) with SB 2102 amendments and relocated to THSC, §382.202(d-2) with SB 1729 amendments but were otherwise unaffected.

The rulemaking adds necessary provisions to 30 TAC Chapter 114 to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and amended by SB 1729. Section 382.202(d-2) of the THSC provides that, with EPA approval of a revision to the SIP, the initial registration and emissions inspection period for new rental vehicles is increased from two years to three years. Additionally, THSC, §382.202(d-2) requires that TCEQ establish and assess fees for the emissions inspection of a new rental vehicle in amounts calculated to provide the same revenue for a three-year registration and inspection period that would be provided if the vehicle was inspected annually or biennially. The change to a three-year registration

and inspection period is also required to be revenue neutral.

Emissions inspection fees are not required for new vehicles at initial registration for the first two years. THSC, §382.202(d-2) extends compliance with vehicle emissions inspection requirements to three years for new rental vehicles, pending SIP approval; however, the state must still collect the vehicle emissions inspection fee for the second year even though no inspection is required because THSC, §382.202(d-2) requires revenue neutrality.

The rulemaking adoption and associated SIP revision (Project No. 2026-004-SIP-NR) will assess emissions inspection fees for rental vehicles at the time of initial registration to comply with the statutory requirement to provide the same revenue that would be provided if the vehicle was inspected annually or biennially. The rulemaking does not change any fee amounts in 30 TAC Chapter 114.

Demonstrating Noninterference under Federal Clean Air Act (FCAA), §110(l)

Under FCAA, §110(l), EPA cannot approve a SIP revision if it would interfere with attainment of the National Ambient Air Quality Standards (NAAQS), reasonable further progress toward attainment, or any other applicable requirement of the FCAA. The commission provides the following information to demonstrate why the adopted changes to the I/M program rules in Chapter 114 will not negatively impact the status of the state's progress towards attainment, interfere with control measures, or prevent reasonable further progress toward attainment of the ozone or carbon monoxide (CO)

NAAQS.

The adopted amendments will revise 30 TAC Chapter 114, Subchapters A and C to implement the additional remittance to the state specified in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, necessary to maintain the revenue neutral impact of adding an additional year to the initial vehicle registration period for rental vehicles. These amendments do not affect EPA-approved I/M program testing requirements, and therefore, do not interfere with control measures or negatively impact the state's progress towards attainment or reasonable further progress of the 2008 and 2015 eight-hour ozone NAAQS or maintenance of the CO NAAQS in El Paso County, which is under an approved limited maintenance plan.

Section by Section Discussion

The adopted amendments revise the I/M program rules to provide for full implementation of THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729. The adopted amendments include the addition of two I/M definitions and provide that the payment of the emissions inspection fee for rental vehicles under THSC, §382.202(d-2) be made at the time of initial vehicle registration. This adopted amendment meets the THSC, §382.202(d-2) requirement that the one-year extension of emissions inspections for rental vehicles be revenue neutral.

The commission also adopts non-substantive changes to update the rules in accordance with current *Texas Register* style and format requirements, improve

readability, establish consistency in the rules, and conform to the standards in the Texas Legislative Council Drafting Manual, September 2020. These non-substantive changes are not intended to alter the existing rule requirements in any way and may not be specifically discussed in this preamble.

Subchapter A: Definitions

§114.2. Inspection and Maintenance Definitions

Implementation of THSC, §382.202(d-2) creates a novel vehicle registration process whereby new rental vehicles may be initially registered for three years rather than two years as is the case for other vehicles subject to emissions inspections. Since THSC, §382.202(d-2) requires revenue neutrality, assessment of emissions inspection fees for new rental vehicles must be collected at initial vehicle registration for the additional exempt year and then annually, the same as all other applicable vehicles. To differentiate between emissions inspection fee assessment at initial registration of rental vehicles and annually for all subject vehicles, the adopted revisions add a definition for “annual vehicle registration” in §114.2(1) and a definition for “initial rental vehicle registration” in §114.2(2). The remaining definitions are renumbered as appropriate.

Subchapter C: Vehicle Inspection and Maintenance; Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program; and Early Action Compact Counties

§114.53. Inspection and Maintenance Fees

The adopted revisions amend §114.53(d) to ensure that emissions inspection fees will be paid at the time of initial registration of rental vehicles to comply with THSC, §382.202(d-2). The adopted revisions do not amend fee amounts in §114.53.

The adopted revisions amend §114.53(d)(1)(A) – (C), (d)(2)(A) – (C), (d)(3)(A) – (C), and (d)(4) to add "initial rental vehicle registration" to the registration processes in which vehicle emissions inspections fees are paid in the El Paso County, DFW, HGB, and Bexar County program areas. TCEQ is authorized under THSC, §382.202(e), to assess vehicle emissions inspection fees. Some vehicle emissions inspection fees are not paid to the state through vehicle registration while others are. The fees under §114.53(a) include amounts that vehicle owners pay at inspection stations that are retained by the stations and not paid to the state through registration. By contrast, the fees under §114.53(d) are paid to the state at the time of annual registration.

To fully comply with THSC, §382.202(d-2) requirements, all of the vehicle emissions inspection fees that would be paid to the state at the time of annual vehicle registration need to be included in the initial rental vehicle registration process. These fees need to be paid up front during initial rental vehicle registration because the state cannot ensure that the rental vehicle will be registered in Texas at the time of its first annual registration.

These vehicle emissions inspection fees include the amounts from $2.00 to $6.00 under §114.53(d)(1) – (3) to fund the Low Income Vehicle Repair Assistance, Retrofit,

and Accelerated Vehicle Retirement Program (LIRAP). The LIRAP was established to enhance the objectives of the I/M program. The 77th Texas Legislature, 2001, Regular Session, enacted House Bill 2134, which created the LIRAP to allow I/M program counties to assist low-income individuals with repairs, retrofits, or retirement of vehicles that fail emissions inspections. Participation by an I/M program county is not mandatory. On June 12, 2017, Governor Greg Abbott vetoed the legislative appropriations for the LIRAP for Fiscal Years (FY) 2018 and 2019. All 16 participating counties subsequently opted out of the LIRAP, and no counties have opted back in. No further appropriations for the LIRAP have been made. These vehicle emissions inspection fees, including fees associated with the LIRAP, will be paid to the state during these registration processes when a county is participating in the LIRAP under §114.53(d)(1)(A), (d)(2)(A), and (d)(3)(A) or in the process of opting out of the LIRAP under §114.53(d)(1)(B), (d)(2)(B), or (d)(3)(B).

These vehicle emissions inspection fees also include the $2.50 vehicle emissions inspection fee under §114.53(d)(1) – (4) that will be paid to the state during these registration processes. With these amendments, the registration processes in which vehicle emissions inspections fees are paid in the El Paso County, DFW, HGB, and Bexar County program areas are “annual vehicle registration” and “initial rental vehicle registration.”

§114.87. Inspection and Maintenance Fees

The adopted revisions amend §114.87(d)(1) – (3) to add “initial rental vehicle

registration" to the registration processes in which vehicle emissions inspections fees are paid in Travis and Williamson Counties, similar to the changes described in the Section by Section discussion for §114.53. In order to implement the requirement in THSC, §382.202(d-2) that the amounts calculated provide the same revenue that would be provided if the vehicle was inspected annually or biennially, all of the vehicle emissions inspection fees that would be paid to the state at the time of annual vehicle registration need to be included in the initial rental vehicle registration process. These fees need to be paid up front during initial rental vehicle registration because the state cannot ensure that the rental vehicle would be registered in Texas at the time of its first annual registration. The adopted revisions do not amend fee amounts in §114.87.

These vehicle emissions inspection fees include $2.00 under §114.87(d)(1) and (2) to fund the LIRAP that will be paid to the state during these registration processes when a county is participating in the LIRAP under §114.87(d)(1) or in the process of opting out of the LIRAP under §114.87(d)(2). Travis and Williamson Counties opted out of the LIRAP and have not opted back in. These fees also include the $2.50 vehicle emissions inspection fee under §114.87(d)(1) – (3) that will be paid to the state during these registration processes. With these amendments, the registration processes in which vehicle emissions inspections fees are paid in Travis and Williamson Counties are "annual vehicle registration" and "initial rental vehicle registration."

Final Regulatory Impact Determination

The commission reviewed the rulemaking adoption considering the regulatory impact

analysis requirements of Texas Government Code, §2001.0225 and determined that the rulemaking adoption does not meet the definition of a "Major environmental rule" as defined in that statute, and in addition, if it did meet the definition, will not be subject to the requirement to prepare a regulatory impact analysis. A "Major environmental rule" means a rule, the specific intent of which is to protect the environment or reduce risks to human health from environmental exposure, and that may adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. Additionally, the rulemaking adoption does not meet any of the four applicability criteria for requiring a regulatory impact analysis for a "Major environmental rule," which are listed in Texas Government Code, §2001.0225(a). Texas Government Code, §2001.0225 applies only to a "Major environmental rule," the result of which is to: 1) exceed a standard set by federal law, unless the rule is specifically required by state law; 2) exceed an express requirement of state law, unless the rule is specifically required by federal law; 3) exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or 4) adopt a rule solely under the general powers of the agency instead of under a specific state law. The specific intent of the adopted rules is to make changes to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble. As vehicle I/M programs are specifically required for certain nonattainment areas by the FCAA any changes that would affect the commission's ability to implement those programs must be submitted to and

approved by EPA.

States are required to adopt SIPs with enforceable emission limitations and other control measures, means, or techniques, as well as schedules and timetables for compliance, as may be necessary or appropriate to meet the applicable requirements of the FCAA. As discussed in the section "Background and Summary of the Factual Basis for the Adopted Rules" of this preamble, the adopted rules are not anticipated to add any significant additional costs to affected individuals or businesses beyond what is necessary to comply with federal requirements on the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. If a state does not comply with its obligations under 42 U.S.C. §7410 (FCAA, §110) to submit SIPs, states are subject to discretionary sanctions under 42 U.S.C. §7410(m) (FCAA, §110(m)) or mandatory sanctions under 42 U.S.C. §7509 (FCAA, §179); as well as the imposition of a federal implementation plan (FIP) under 42 U.S.C. §7410 (FCAA, §110(c)).

The requirement to provide a fiscal analysis of regulations in the Texas Government Code was amended by SB 633 during the 75th legislative session. The intent of SB 633 was to require agencies to conduct a regulatory impact analysis of extraordinary rules. These are identified in the statutory language as major environmental rules that will have a material adverse impact and will exceed a requirement of state law, federal law, or a delegated federal program, or are adopted solely under the general powers of the agency. With the understanding that this requirement would seldom apply, the

commission provided a cost estimate for SB 633 that concluded "based on an assessment of rules adopted by the agency in the past, it is not anticipated that the bill will have significant fiscal implications for the agency due to its limited application." The commission also noted that the number of rules that would require assessment under the provisions of the bill was not large. This conclusion was based, in part, on the criteria set forth in the bill that exempted rules from the full analysis unless the rule was a “Major environmental rule” that exceeds a federal law. Because of the ongoing need to meet federal requirements, the commission routinely proposes and adopts rules incorporating or designed to satisfy specific federal requirements. The legislature is presumed to understand this federal scheme. If each rule proposed by the commission to meet a federal requirement was a major environmental rule that exceeds federal law, then each of those rules would require the full regulatory impact analysis contemplated by SB 633. Requiring a full regulatory impact analysis for all federally required rules is inconsistent with the conclusions reached by the commission in its cost estimate and by the Legislative Budget Board (LBB) in its fiscal notes. Since the legislature is presumed to understand the fiscal impacts of the bills it passes, and that presumption is based on information provided by state agencies and the LBB, the that the intent of SB 633 was only to require the full regulatory impact analysis for rules that are extraordinary in nature. While the adopted rules may have a broad impact, that impact is no greater than is necessary or appropriate to meet the requirements of the FCAA, and in fact creates no additional impacts since the adopted rules do not impose burdens greater than required to comply with federal law, as discussed elsewhere in this preamble. For these reasons, the adopted rules fall under

the exception in Texas Government Code, §2001.0225(a), because they are required by, and do not exceed, federal law. The commission has consistently applied this construction to its rules since this statute was enacted in 1997. Since that time, the legislature has revised the Texas Government Code, but left this provision substantially unamended. It is presumed that "when an agency interpretation is in effect at the time the legislature amends the laws without making substantial change in the statute, the legislature is deemed to have accepted the agency's interpretation." (*Central Power & Light Co. v. Sharp*, 919 S.W.2d 485, 489 (Tex. App. Austin 1995), *writ denied with per curiam opinion respecting another issue*, 960 S.W.2d 617 (Tex. 1997); *Bullock v. Marathon Oil Co.*, 798 S.W.2d 353, 357 (Tex. App. Austin 1990, *no writ*). *Cf. Humble Oil & Refining Co. v. Calvert*, 414 S.W.2d 172 (Tex. 1967); *Dudney v. State Farm Mut. Auto Ins. Co.*, 9 S.W.3d 884, 893 (Tex. App. Austin 2000); *Southwestern Life Ins. Co. v. Montemayor*, 24 S.W.3d 581 (Tex. App. Austin 2000, *pet. denied*); and *Coastal Indust. Water Auth. v. Trinity Portland Cement Div.*, 563 S.W.2d 916 (Tex. 1978).) The commission's interpretation of the regulatory impact analysis requirements is also supported by a change made to the Texas Administrative Procedure Act (APA) by the legislature in 1999. In an attempt to limit the number of rule challenges based upon APA requirements, the legislature clarified that state agencies are required to meet these sections of the APA applying the standard of "substantial compliance" specified in Texas Government Code, §2001.035. The legislature specifically identified Texas Government Code, §2001.0225 as falling under this standard.

As presented in this analysis and elsewhere in this preamble, the evidence supports

the conclusion that the commission has substantially complied with the requirements of Texas Government Code, §2001.0225. The adopted rules support implementation of the requirements of the FCAA as discussed in this analysis and elsewhere in this preamble. The adopted rules were determined to be necessary to comply with federal law and will not exceed any standard set by state or federal law. These adopted rules are also an express requirement of state law, as discussed elsewhere in this preamble. The adopted rules do not exceed a requirement of a delegation agreement or a contract between state and federal government, as the rules adopted by the commission and if approved by EPA, will become federal law as part of the approved SIP required by 42 U.S.C. §7410 (FCAA, §110). The adopted rules were not developed solely under the general powers of the agency but are authorized by specific sections of THSC, Chapter 382 (also known as the Texas Clean Air Act), and the Texas Water Code, which are cited in the STATUTORY AUTHORITY section of this preamble, including THSC, §§382.011, 382.012, 382.017, and 382.202(d-2). Therefore, this rulemaking action is not subject to the regulatory analysis provisions of Texas Government Code, §2001.0225(b).

The commission invited public comment regarding the Draft Regulatory Impact Analysis Determination during the public comment period. No comments were received.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), taking means a governmental action that

affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the United States Constitution or §17 or §19, Article I, Texas Constitution; or a governmental action that affects an owner's private real property that is the subject of the governmental action, in whole or in part or temporarily or permanently, in a manner that restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action; and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect.

The commission completed a takings impact analysis for the rulemaking action under the Texas Government Code, Chapter 2007. The primary purpose of this rulemaking action is to make changes to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble. As vehicle I/M programs are specifically required for certain nonattainment areas by the FCAA any changes that would affect the commission's ability to implement those programs must be submitted to and approved by EPA. Therefore, Chapter 2007 does not apply to this rulemaking adoption because it is an action reasonably taken to fulfill an obligation mandated by federal law, as provided by Texas Government Code, §2007.003(b)(4).

As discussed elsewhere in this preamble, the rulemaking adoption implements requirements of FCAA, 42 U.S.C. §7410, which requires states to adopt a SIP that provides for the implementation, maintenance, and enforcement of the NAAQS in each air quality control region of the state. While 42 U.S.C. §7410 generally does not require specific programs, methods, or reductions in order to meet the standard, I/M programs are specifically required by the FCAA. The SIP must include enforceable emission limitations and other control measures, means, or techniques (including economic incentives such as fees, marketable permits, and auctions of emissions rights), as well as schedules and timetables for compliance as may be necessary or appropriate to meet the applicable requirements of the FCAA. The provisions of the FCAA recognize that states are in the best position to determine what programs and controls are necessary or appropriate in order to meet the NAAQS. This flexibility allows states, affected industry, and the public, to collaborate on the best methods for attaining the NAAQS for the specific regions in the state. Even though the FCAA allows states to develop their own programs, this flexibility does not relieve a state from developing a program that meets the requirements of 42 U.S.C. §7410. States are not free to ignore the requirements of 42 U.S.C. §7410 and must develop programs to assure that their contributions to nonattainment areas are reduced so that these areas can be brought into attainment on the schedule prescribed by the FCAA.

States are required to adopt SIPs with enforceable emission limitations and other control measures, means, or techniques, as well as schedules and timetables for compliance, as may be necessary or appropriate to meet the applicable requirements

of the FCAA. If a state does not comply with its obligations under 42 U.S.C. §7410, FCAA, §110 to submit SIPs, states are subject to discretionary sanctions under 42 U.S.C. §7410(m) or mandatory sanctions under 42 U.S.C. §7509, FCAA, §179; as well as the imposition of a federal implementation plan (FIP) under 42 U.S.C. §7410, FCAA, §110(c).

In addition, the commission's assessment indicates that Texas Government Code, Chapter 2007 does not apply to these adopted rules because this action is taken to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble, which provided for changes to the vehicle I/M program which is a required element of the state implementation plan for ozone which addresses real and substantial threats to public health and safety; that is designed to significantly advance the health and safety purpose; and that does not impose a greater burden than is necessary to achieve the health and safety purpose. Thus, this action is exempt under Texas Government Code, §2007.003(b)(13). The adopted rules fulfill the FCAA requirement for states to create plans including control strategies to attain and maintain the NAAQS, as discussed elsewhere in this preamble. The adopted rules would assist in achieving the timely attainment of the ozone or CO NAAQS and reduced public exposure to ozone or CO. The NAAQS are promulgated by EPA in accord with the FCAA, which requires EPA to identify and list air pollutants that "cause[s] or contribute[s] to air pollution which may reasonably be anticipated to endanger public health and welfare" and "the presence of which in the ambient air results from numerous or diversion mobile or stationary

sources," as required by 42 U.S.C. §7408. For those air pollutants listed, EPA then is required to issue air quality criteria identifying the latest scientific knowledge regarding on adverse health and welfare effects associated with the listed air pollutant, in accord with 42 U.S.C. §7408. For each air pollutant for which air quality criteria have been issued, EPA must publish proposed primary and secondary air quality standards based on the criteria that specify a level of air quality requisite to protect the public health and welfare from any known or anticipated adverse effects associated with the presence of the air pollutant in the ambient air, as required by 42 U.S.C. §7409. As discussed elsewhere in this preamble, states have the primary responsibility to adopt plans designed to attain and maintain the NAAQS.

The adopted rules will not create any additional burden on private real property beyond what is required under federal law, as the rules adopted by the commission and approved by EPA, will become federal law as part of the approved SIP required by 42 U.S.C. §7410, FCAA, §110. The adopted rules will not affect private real property in a manner that would require compensation to private real property owners under the United States Constitution or the Texas Constitution. The adoption also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the rulemaking adoption will not cause a taking under Texas Government Code, Chapter 2007. For these reasons, Texas Government Code, Chapter 2007 does not apply to this rulemaking adoption.

Consistency with the Coastal Management Program

The commission reviewed the rulemaking adoption and found the rulemaking identified in the Coastal Coordination Act Implementation Rules, 31 TAC §29.11(b)(2) relating to rules subject to the Coastal Management Program, and will, therefore, require that goals and policies of the Texas Coastal Management Program (CMP) be considered during the rulemaking process.

The commission invited public comment regarding the consistency with the coastal management program during the public comment period. No comments were received.

Public Comment

The comment period for the proposed Chapter 114 I/M rulemaking opened on April 3, 2026, and closed on May 19, 2026. The commission held a virtual public hearing on May 14, 2026, at 2:00 p.m. TCEQ staff were present and opened the hearing for public comment on this project as well as the concurrent I/M SIP revision (Project No. 2026-004-SIP-NR). One attendee signed up to make comments on the record, and a written transcript of the public hearing was prepared. The commission received written comments from the same individual who provided oral testimony at the public hearing. The written comment submission and the oral comments provided during the public hearing, are outside the scope of this rulemaking.

Response to Comments

Comment

One individual commented on the implementation of the Bexar County I/M program. The individual requested that TCEQ publish a household-level cost-benefit analysis examining program costs by income quintile, by vehicle age cohort, and by Commissioner precinct, specifying the projected air quality benefit per dollar extracted from families at each income level. The individual requested completion of the study before September 9, 2026.

The individual presented Bexar County I/M program impact metrics, including vehicle failure rate, average repair cost, average program cost to the vehicle owner, and the presence of government assistance (the Low Income Vehicle Repair Assistance Retrofit, and Accelerated Vehicle Retirement Program, or LIRAP) available to the vehicle owner. With these metrics applied to three separate scenarios with vehicles aged 10, 15, and 20 years old, the individual requested that TCEQ quantify the air quality benefit per dollar of cost imposed on each case.

The individual requested that TCEQ confirm whether the “negligible” characterization applies to the Bexar County program specifically; that TCEQ explain in the adoption package for this rulemaking how a program producing negligible benefit justifies a mandatory $28.50 annual fee with no household-level impact analysis; and that TCEQ address whether FCAA §110(l) review is warranted.

The individual requested that TCEQ’s adoption package address the empirical record of the Dallas-Fort Worth I/M program area and explain what analytical basis supports

the expectation that Bexar County will achieve attainment through an I/M program.

The individual requested that TCEQ formally acknowledge that AirCheckTexas is non-operational and does not cover Bexar County; that TCEQ update Form VIE-7 to remove reference to AirCheckTexas as a Bexar County resource; and that TCEQ encourage the Bexar County Commissioners Court to activate the LIRAP enrollment before November 1, 2026.

Finally, the individual requested that TCEQ formally support EPA's initiation of an FCAA, §179B feasibility review; and TCEQ communicate to EPA that TCEQ's own negligible finding and the documented transport record strengthen the §179B case.

Response

The individual's comments regarding the broader implementation of the federally required I/M program are outside the scope of this rulemaking, which exclusively concerns the initial assessment of emissions inspection fees for new rental vehicles at the time of initial registration. Additionally, comments requesting specific assessment, information, or action from the commission are also outside the scope of this rulemaking. The commission's assessment regarding the applicability of FCAA, §110(l) to this rulemaking was specifically addressed in the proposal preamble and is reiterated elsewhere in this adoption preamble. No changes were made in response to these comments.

SUBCHAPTER A: DEFINITIONS

§114.2

Statutory Authority

The rules are adopted under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also adopted under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the state air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and procedures.

The adopted rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.202, and 382.205.

The amended rules are also adopted under and implement the provisions of Senate Bill (SB) 2102, 88th Legislature, Regular Session, 2023 and SB 1729, 89th Legislature, Regular Session, 2025.

§114.2. Inspection and Maintenance Definitions.

Unless specifically defined in Texas Health and Safety Code, Chapter 382, also known as the Texas Clean Air Act (TCAA), or in the rules of the commission, the terms used by the commission have the meanings commonly ascribed to them in the field of air pollution control. In addition to the terms that are defined by the TCAA, the following words and terms, when used in Subchapter C of this chapter (relating to Vehicle Inspection and Maintenance; Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program; and Early Action Compact Counties), have the following meanings, unless the context clearly indicates otherwise.

(1) Annual vehicle registration--The yearly process of officially recording a motor vehicle with the Texas Department of Motor Vehicles (DMV) for a duration of one year. This process begins when a vehicle becomes two years old, except for a rental vehicle, as defined in paragraph (9) in this section, for which this process begins when the vehicle becomes three years old.

(2) Initial rental vehicle registration--The process of initially registering a rental vehicle, as defined in this section, for a duration of 36 months. This process only applies to a new passenger car or light truck registering as a rental vehicle.

(3) [(1)] Motorist--A person or other entity responsible for the inspection, repair, and maintenance of a motor vehicle, which may include, but is not limited to, owners and lessees.

(4) [(2)] On-board diagnostic (OBD) system--The computer system installed in a vehicle by the manufacturer that monitors the performance of the vehicle emissions control equipment, fuel metering system, and ignition system for the purpose of detecting malfunction or deterioration in performance that would be expected to cause the vehicle not to meet emissions standards. All references to OBD should be interpreted to mean the second generation of this equipment, sometimes referred to as OBD II.

(5) [(3)] On-road test--Utilization of remote sensing technology to identify vehicles operating within the inspection and maintenance program areas that have a high probability of being high-emitters.

(6) [(4)] Out-of-cycle test--Required emissions test not associated with vehicle safety inspection testing cycle.

(7) [(5)] Primarily operated--Use of a motor vehicle greater than 60 calendar days per testing cycle in an affected county. Motorists shall comply with emissions requirements for such counties. It is presumed that a vehicle is primarily operated in the county in which it is registered.

(8) [(6)] Program area--County or counties in which the Texas Department of Public Safety, in coordination with the commission, administers the vehicle emissions inspection and maintenance program contained in the Texas Inspection and Maintenance State Implementation Plan. These program areas include:

(A) the Dallas-Fort Worth program area, consisting of the following counties: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant;

(B) the El Paso program area, consisting of El Paso County;

(C) the Houston-Galveston-Brazoria program area, consisting of Brazoria, Fort Bend, Galveston, Harris, and Montgomery Counties; and

(D) the Bexar County program area, consisting of Bexar County.

(9) [(7)] Rental vehicle--A motor vehicle for which a rental certificate has been furnished as provided by Texas Tax Code, §152.061.

(10) [(8)] Retests--Successive vehicle emissions inspections following the failing of an initial test by a vehicle during a single testing cycle.

(11) [(9)] Testing cycle--The annual cycle commencing with the first vehicle registration expiration date for which a motor vehicle is subject to a vehicle emissions inspection.

SUBCHAPTER C: VEHICLE INSPECTION AND MAINTENANCE; LOW INCOME VEHICLE REPAIR ASSISTANCE, RETROFIT, AND ACCELERATED VEHICLE RETIREMENT PROGRAM; AND EARLY ACTION COMPACT COUNTIES

DIVISION 1: VEHICLE INSPECTION AND MAINTENANCE

§114.53

Statutory Authority

The rules are adopted under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also adopted under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the state air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.0622, concerning clean air act fees, which provides authority for various fees collected by the commission; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and

procedures.

The adopted rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.0622, 382.202, and 382.205.

The amended rules are also adopted under and implement the provisions of Senate Bill (SB) 2102, 88th Legislature, Regular Session, 2023 and SB 1729, 89th Legislature, Regular Session, 2025.

§114.53. Inspection and Maintenance Fees.

(a) The following fees must be paid for an emissions inspection of a vehicle at an inspection station. This fee must include one free retest should the vehicle fail the emissions inspection provided that the motorist has the retest performed at the same station where the vehicle originally failed and submits, prior to the retest, a properly completed vehicle repair form showing that emissions-related repairs were performed and the retest is conducted within 15 days of the initial emissions test.

(1) Any emissions inspection station required to conduct an emissions test in accordance with §114.50(a)(1) of this title (relating to Vehicle Emissions Inspection Requirements) in El Paso County must collect a fee not to exceed $11.50, and any emissions inspection station required to conduct an emissions test in

accordance with §114.50(a)(1) of this title in the Dallas-Fort Worth and Houston-Galveston-Brazoria program areas must collect a fee not to exceed $18.50.

(2) In the Bexar County program area beginning November 1, 2026, any emissions inspection station in Bexar County required to conduct an emissions test in accordance with §114.50(a)(2)(A) or (B) of this title must collect a fee not to exceed $18.50.

(b) The per-vehicle fee and the amount the inspection station remits to the DPS for a challenge test at an inspection station designated by the Texas Department of Public Safety (DPS), must be the same as the amounts set forth in subsection (a) of this section. The challenge fee must not be charged if the vehicle is retested within 15 days of the initial test.

(c) Inspection stations performing out-of-cycle vehicle emissions inspections for the state's remote sensing element must charge a motorist for an out-of-cycle emissions inspection in the amount specified in subsection (a) of this section resulting from written notification that subject vehicle failed on-road testing. If the vehicle passes the vehicle emissions inspection, the vehicle owner may request reimbursement from the DPS.

(d) Vehicle owners shall remit <u>the amount of the vehicle emissions inspection fee that is required to be remitted to the state</u> as part of the [annual vehicle

registration fee] fees collected by the Texas Department of Motor Vehicles (DMV) or county tax assessor-collector at annual vehicle registration, as defined in §114.2 of this title (relating to Inspection and Maintenance Definitions), and initial rental vehicle registration, as defined in §114.2 of this title. [the amount of the vehicle emissions inspection fee that is required to be remitted to the state.]

(1) In El Paso County, the following requirements apply.

(A) If participating in the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), vehicle owners shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title (relating to Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program Definitions).

(B) If participating in the LIRAP and in the process of opting out, vehicle owners shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the

LIRAP fee termination effective date as defined in §114.7 of this title. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) If not participating in the LIRAP, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(2) In the Dallas-Fort Worth program area, the following requirements apply.

(A) Vehicle owners in counties participating in the LIRAP shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title.

(B) Vehicle owners in counties participating in the LIRAP that are in the process of opting out shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(3) In the Houston-Galveston-Brazoria program area, the following requirements apply.

(A) Vehicle owners in counties participating in the LIRAP shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title.

(B) Vehicle owners in counties participating in the LIRAP that are in the process of opting out shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(4) In the Bexar County program area, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

SUBCHAPTER C: VEHICLE INSPECTION AND MAINTENANCE; LOW INCOME VEHICLE REPAIR ASSISTANCE, RETROFIT, AND ACCELERATED VEHICLE RETIREMENT PROGRAM; AND EARLY ACTION COMPACT COUNTIES

DIVISION 3: EARLY ACTION COMPACT COUNTIES

§114.87

Statutory Authority

The rules are adopted under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also adopted under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the state air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.0622, concerning clean air act fees, which provides authority for various fees collected by the commission; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and

procedures.

The adopted rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.0622, 382.202, and 382.205.

The rules are also adopted under and implement the provisions of Senate Bill 2102, 88th Legislature, Regular Session.

§114.87. Inspection and Maintenance Fees.

(a) The following fees must be paid for an emissions inspection of a vehicle at an inspection station in an affected early action compact program county. This fee must include one free retest if the vehicle fails the emissions inspection, provided that the motorist has the retest performed at the same station where the vehicle originally failed; the motorist submits, prior to the retest, a properly completed vehicle repair form showing that emissions-related repairs were performed; and the retest is conducted within 15 days of the initial emissions test. In Travis and Williamson Counties, any emissions inspection station required to conduct an emissions test in accordance with §114.80 of this title (relating to Applicability) must collect a fee not to exceed $11.50 for each emissions test.

(b) The per-vehicle fee and the amount the inspection station remits to the DPS for a challenge test at an inspection station designated by the DPS must be the same as

the amounts specified in subsection (a) of this section. The challenge fee must not be charged if the vehicle is retested within 15 days of the initial test.

(c) Inspection stations performing out-of-cycle vehicle emissions inspections resulting from written notification that the subject vehicle failed on-road testing (remote sensing) must charge a motorist for an out-of-cycle emissions inspection in the amount specified in subsection (a) of this section. If the vehicle passes the vehicle emissions inspection, the vehicle owner may request reimbursement from the DPS.

(d) In Travis and Williamson Counties, the following requirements apply.

(1) Vehicle owners in counties participating in Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the Texas Department of Motor Vehicles (DMV) or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title (relating to Inspection and Maintenance Definitions), and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title (relating to Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program Definitions).

(2) Vehicle owners in counties participating in the LIRAP and in the process of opting out shall remit $4.50 for motor vehicles subject to emissions inspection to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(3) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspection to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

TITLE 30. ENVIRONMENTAL QUALITY

PART 1. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHAPTER 114. CONTROL OF AIR POLLUTION FROM MOTOR VEHICLES

The Texas Commission on Environmental Quality (TCEQ, agency, or commission) proposes amendments to 30 Texas Administrative Code (TAC) §§114.2, 114.53, and 114.87.

If adopted, amended §§114.2, 114.53, and 114.87 will be submitted to the U.S. Environmental Protection Agency (EPA) as a revision to the State Implementation Plan (SIP).

Background and Summary of the Factual Basis for the Proposed Rules

Eighteen counties in Texas are subject to 30 TAC Chapter 114 Inspection and Maintenance (I/M) rules: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant Counties in the Dallas-Fort Worth (DFW) area; Brazoria, Fort Bend, Galveston, Harris, and Montgomery Counties in the Houston-Galveston-Brazoria (HGB) area; Travis and Williamson Counties in the Austin-Round Rock area; El Paso County; and, beginning November 1, 2026, Bexar County. All I/M counties would be subject to this rulemaking.

The 88th Texas Legislature, 2023, Regular Session, passed Senate Bill (SB) 2102, which amended Texas Health and Safety Code (THSC), §382.202 to extend the initial registration and inspection period for new rental vehicles from two years to three years and to require that the emissions inspection fees that would have applied in the additional exemption year be collected. A rulemaking and SIP revision were adopted on September 24, 2025, to allow one additional year of exemption from emissions inspections for new rental vehicles; however, the fee component of the legislation was not addressed in those rule and SIP actions (Project Nos. 2025-012-114-AI and 2025-013-SIP-NR).

Senate Bill 1729, 89th Texas Legislature, 2025, Regular Session, further amended THSC, §382.202 by consolidating amendments made by SB 2102. The rental vehicle provisions were added to THSC, §382.202(d-2)(1) and (2) with SB 2102 amendments and relocated to THSC, §382.202(d-2) with SB 1729 amendments but were otherwise unaffected.

The proposed rulemaking would add necessary provisions to 30 TAC Chapter 114 to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and amended by SB 1729. Section 382.202(d-2) of the THSC provides that, with U.S. Environmental Protection Agency approval of a revision to the SIP, the initial registration and emissions inspection period for new rental vehicles is increased from two years to three years. Additionally, THSC, §382.202(d-2) requires that TCEQ establish and assess fees for the emissions inspection of a new rental vehicle in amounts calculated to provide the same revenue for a three-year registration and inspection period that would be provided if the vehicle was inspected annually or biennially. The change to a three-year registration and inspection period is also required to be revenue neutral.

Emissions inspection fees are not required for new vehicles at initial registration for the first two years. THSC, §382.202(d-2) extends compliance with vehicle emissions inspection requirements to three years for new rental vehicles, pending SIP approval; however, the state must still collect the vehicle emissions inspection fee for the second year even though no inspection is required because THSC, §382.202(d-2) requires revenue neutrality.

The proposed rulemaking and associated SIP revision (Project No. 2026-004-SIP-NR) would assess emissions inspection fees for rental vehicles at the time of initial registration to comply with the statutory requirement to provide the same revenue that would be provided if the vehicle was inspected annually or biennially. The proposed rulemaking would not change any fee amounts in 30 TAC Chapter 114.

Demonstrating Noninterference under Federal Clean Air Act (FCAA), §110(l)

Under FCAA, §110(l), EPA cannot approve a SIP revision if it would interfere with attainment of the National Ambient Air Quality Standards (NAAQS), reasonable further progress toward attainment, or any other applicable requirement of the FCAA. The commission provides the following information to demonstrate why the proposed changes to the I/M program rules in Chapter 114 will not negatively impact the status of the state's progress towards attainment, interfere with control measures, or prevent reasonable further progress toward attainment of the ozone or carbon monoxide (CO) NAAQS.

The proposed amendments would revise 30 TAC Chapter 114, Subchapters A and C to implement the additional remittance to the state specified in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, necessary to maintain the revenue neutral impact of adding an additional year to the initial vehicle registration period for rental vehicles. These amendments do not affect EPA-approved I/M program testing requirements, and therefore, do not interfere with control measures or negatively impact the state's progress towards attainment or reasonable further progress of the 2008 and 2015 eight-hour ozone NAAQS or maintenance of the CO NAAQS in El Paso County, which is under an approved limited maintenance plan.

Section by Section Discussion

The proposed amendments would revise the I/M program rules to provide for full implementation of THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729. The proposed amendments include the addition of two I/M definitions and provide that the payment of the emissions inspection fee waived for rental vehicles under THSC, §382.202(d-2) be made at the time of initial vehicle registration. This proposed amendment meets the THSC, §382.202(d-2) requirement that the one-year extension of emissions inspections for rental vehicles be revenue neutral.

The commission also proposes non-substantive changes to update the rules in accordance with current Texas Register style and format requirements, improve readability, establish consistency in the rules, and conform to the standards in the Texas Legislative Council Drafting Manual, September 2020. These non-substantive changes are not intended to alter the existing rule requirements in any way and may not be specifically discussed in this preamble.

Subchapter A: Definitions

§114.2. Inspection and Maintenance Definitions

Implementation of THSC, §382.202(d-2) creates a novel vehicle registration process whereby new rental vehicles may be initially

registered for three years rather than two years as is the case for other vehicles subject to emissions inspections. Since THSC, §382.202(d-2) requires revenue neutrality, assessment of emissions inspection fees for new rental vehicles must be collected at initial vehicle registration for the additional exempt year and then annually, the same as all other applicable vehicles. To differentiate between emissions inspection fee assessment at initial registration of rental vehicles and annually for all subject vehicles, the proposed revisions would add a definition for "annual vehicle registration" in §114.2(1) and a definition for "initial rental vehicle registration" in §114.2(2). The remaining definitions would be renumbered as appropriate.

Subchapter C: Vehicle Inspection and Maintenance; Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program; and Early Action Compact Counties

§114.53. Inspection and Maintenance Fees

The proposed revisions would amend §114.53(d) to ensure that emissions inspection fees would be paid at the time of initial registration of rental vehicles to comply with THSC, §382.202(d-2). The proposed revisions would not amend fee amounts in §114.53.

The proposed revisions would amend §114.53(d)(1)(A) - (C), (d)(2)(A) - (C), (d)(3)(A) - (C), and (d)(4) to add "initial rental vehicle registration" to the registration processes in which vehicle emissions inspections fees are paid in the El Paso County, DFW, HGB, and Bexar County program areas. TCEQ is authorized under THSC, §382.202(e), to assess vehicle emissions inspection fees. Some vehicle emissions inspection fees are not paid to the state through vehicle registration while others are. The fees under §114.53(a) include amounts that vehicle owners pay at inspection stations that are retained by the stations and not paid to the state through registration. By contrast, the fees under §114.53(d) are paid to the state at the time of annual registration.

To fully comply with THSC, §382.202(d-2) requirements, all of the vehicle emissions inspection fees that would be paid to the state at the time of annual vehicle registration need to be included in the initial rental vehicle registration process. These fees need to be paid up front during initial rental vehicle registration because the state cannot ensure that the rental vehicle would be registered in Texas at the time of its first annual registration.

These vehicle emissions inspection fees include the amounts from $2.00 to $6.00 under §114.53(d)(1) - (3) to fund the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). The LIRAP was established to enhance the objectives of the I/M program. The 77th Texas Legislature, 2001, Regular Session, enacted House Bill 2134, which created the LIRAP to allow I/M program counties to assist low-income individuals with repairs, retrofits, or retirement of vehicles that fail emissions inspections. Participation by an I/M program county is not mandatory. On June 12, 2017, Governor Greg Abbott vetoed the legislative appropriations for the LIRAP for Fiscal Years (FY) 2018 and FY 2019. All 16 participating counties subsequently opted out of the LIRAP and no counties have opted back in. No further appropriations for the LIRAP have been made. These vehicle emissions inspection fees, including fees associated with the LIRAP, would be paid to the state during these registration processes when a county is participating in the LIRAP under §114.53(d)(1)(A), (d)(2)(A), and (d)(3)(A) or in the process of opting out of the LIRAP under §114.53(d)(1)(B), (d)(2)(B), or (d)(3)(B).

These vehicle emissions inspection fees also include the $2.50 vehicle emissions inspection fee under §114.53(d)(1) - (4) that would be paid to the state during these registration processes. With these amendments, the registration processes in which vehicle emissions inspections fees are paid in the El Paso County, DFW, HGB, and Bexar County program areas would be "annual vehicle registration" and "initial rental vehicle registration."

§114.87. Inspection and Maintenance Fees

The proposed revisions would amend §114.87(d)(1) - (3) to add "initial rental vehicle registration" to the registration processes in which vehicle emissions inspections fees are paid in Travis and Williamson Counties, similar to the changes described in the Section by Section discussion for §114.53. In order to implement the requirement in THSC, §382.202(d-2) that the amounts calculated provide the same revenue that would be provided if the vehicle was inspected annually or biennially, all of the vehicle emissions inspection fees that would be paid to the state at the time of annual vehicle registration would need to be included in the initial rental vehicle registration process. These fees need to be paid up front during initial rental vehicle registration because the state cannot ensure that the rental vehicle would be registered in Texas at the time of its first annual registration. The proposed revisions would not amend fee amounts in §114.87.

These vehicle emissions inspection fees include $2.00 under §114.87(d)(1) and (2) to fund the LIRAP that would be paid to the state during these registration processes when a county is participating in the LIRAP under §114.87(d)(1) or in the process of opting out of the LIRAP under §114.87(d)(2). Travis and Williamson Counties opted out of the LIRAP and have not opted back in. These fees also include the $2.50 vehicle emissions inspection fee under §114.87(d)(1) - (3) that would be paid to the state during these registration processes. With these amendments, the registration processes in which vehicle emissions inspections fees are paid in Travis and Williamson Counties would be "annual vehicle registration" and "initial rental vehicle registration."

Fiscal Note: Costs to State and Local Government

Kyle Girten, Analyst in the Budget and Planning Division, has determined that for the first five-year period the proposed rule is in effect, no fiscal implications are anticipated for the agency or for other units of state or local government as a result of administration or enforcement of the proposed rule.

Public Benefits and Costs

Mr. Girten determined that for each year of the first five years the proposed rules are in effect, the public benefit will be rule language that is consistent with state law, specifically SB 2102 from the 88th Regular Legislative Session (2023) and SB 1729 from the 89th Regular Legislative Session (2025). The proposed rulemaking will not result in fiscal implications for individuals during the first five-year period the proposed rule is in effect. The proposed rulemaking will not result in any additional costs for businesses, and the only fiscal impact is that owners of rental vehicles in I/M counties would incur emissions inspections fees ($2.50 per vehicle) at the time of initial registration and annually starting in the third year rather than annually starting in the second year after initial registration.

Local Employment Impact Statement

The commission reviewed this proposed rulemaking and determined that a Local Employment Impact Statement is not required because the proposed rulemaking does not adversely affect a local economy in a material way for the first five years that the proposed rule is in effect.

Rural Communities Impact Assessment

The commission reviewed this proposed rulemaking and determined that the proposed rulemaking does not adversely affect rural communities in a material way for the first five years that the proposed rules are in effect. The amendments would apply statewide and have the same effect in rural communities as in urban communities.

Small Business and Micro-Business Assessment

No adverse fiscal implications are anticipated for small or micro-businesses due to the implementation or administration of the proposed rule for the first five-year period the proposed rules are in effect.

Small Business Regulatory Flexibility Analysis

The commission reviewed this proposed rulemaking and determined that a Small Business Regulatory Flexibility Analysis is not required because the proposed rule does not adversely affect a small or micro-business in a material way for the first five years the proposed rules are in effect.

Government Growth Impact Statement

The commission prepared a Government Growth Impact Statement assessment for this proposed rulemaking. The proposed rulemaking does not create or eliminate a government program and will not require an increase or decrease in future legislative appropriations to the agency. The proposed rulemaking does not require the creation of new employee positions, eliminate current employee positions, nor require an increase or decrease in fees paid to the agency. The proposed rulemaking amends an existing regulation, and it does not create, expand, repeal, or limit this regulation. The proposed rulemaking does not increase or decrease the number of individuals subject to its applicability. During the first five years, the proposed rule should not impact positively or negatively the state's economy.

Written comments concerning the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Draft Regulatory Impact Analysis Determination

The commission reviewed the proposed rulemaking considering the regulatory impact analysis requirements of Texas Government Code, §2001.0225 and determined that the proposed rulemaking does not meet the definition of a "Major environmental rule" as defined in that statute, and in addition, if it did meet the definition, would not be subject to the requirement to prepare a regulatory impact analysis. A "Major environmental rule" means a rule, the specific intent of which is to protect the environment or reduce risks to human health from environmental exposure, and that may adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. Additionally, the proposed rulemaking does not meet any of the four applicability criteria for requiring a regulatory impact analysis for a "Major environmental rule," which are listed in Texas Government Code, §2001.0225(a). Texas Government Code, §2001.0225 applies only to a "Major environmental rule," the result of which is to: 1) exceed a standard set by federal law, unless the rule is specifically required by state law; 2) exceed an express requirement of state law, unless the rule is specifically required by federal law; 3) exceed a requirement of a delegation agreement or contract between the state and an agency or representative of the federal government to implement a state and federal program; or 4) adopt a rule solely under the general powers of the agency instead of under a specific state law. The specific intent of the proposed rules is to make changes to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble. As vehicle I/M programs are specifically required for certain nonattainment areas by the FCAA any changes that would affect the commission's ability to implement those programs must be submitted to and approved by EPA.

States are required to adopt SIPs with enforceable emission limitations and other control measures, means, or techniques, as well as schedules and timetables for compliance, as may be necessary or appropriate to meet the applicable requirements of the FCAA. As discussed in the FISCAL NOTE portion of this preamble, the proposed rules are not anticipated to add any significant additional costs to affected individuals or businesses beyond what is necessary to comply with federal requirements on the economy, a sector of the economy, productivity, competition, jobs, the environment, or the public health and safety of the state or a sector of the state. If a state does not comply with its obligations under 42 U.S.C. §7410 (FCAA, §110) to submit SIPs, states are subject to discretionary sanctions under 42 U.S.C. §7410(m) (FCAA, §110(m)) or mandatory sanctions under 42 U.S.C. §7509 (FCAA, §179); as well as the imposition of a federal implementation plan (FIP) under 42 U.S.C. §7410 (FCAA, §110(c)).

The requirement to provide a fiscal analysis of regulations in the Texas Government Code was amended by SB 633 during the 75th legislative session. The intent of SB 633 was to require agencies to conduct a regulatory impact analysis of extraordinary rules. These are identified in the statutory language as major environmental rules that will have a material adverse impact and will exceed a requirement of state law, federal law, or a delegated federal program, or are adopted solely under the general powers of the agency. With the understanding that this requirement would seldom apply, the commission provided a cost estimate for SB 633 that concluded "based on an assessment of rules adopted by the agency in the past, it is not anticipated that the bill will have significant fiscal implications for the agency due to its limited application." The commission also noted that the number of rules that would require assessment under the provisions of the bill was not large. This conclusion was based, in part, on the criteria set forth in the bill that exempted rules from the full analysis unless the rule was a "Major environmental rule" that exceeds a federal law. Because of the ongoing need to meet federal requirements, the commission routinely proposes and adopts rules incorporating or designed to satisfy specific federal requirements. The legislature is presumed to understand this federal scheme. If each rule proposed by the commission to meet a federal requirement was a major environmental rule that exceeds federal law, then each of those rules would require the full regulatory impact analysis contemplated by SB 633. Requiring a full regulatory impact analysis for all federally required rules is inconsistent with the conclusions reached by the commission in its cost estimate and by the Legislative Budget Board (LBB) in its fiscal notes. Since the legislature is presumed to understand the fiscal impacts of the bills it passes, and that presumption is based on information provided by state agencies and the LBB,

the that the intent of SB 633 was only to require the full regulatory impact analysis for rules that are extraordinary in nature. While the proposed rules may have a broad impact, that impact is no greater than is necessary or appropriate to meet the requirements of the FCAA, and in fact creates no additional impacts since the proposed rules do not impose burdens greater than required to comply with federal law, as discussed elsewhere in this preamble. For these reasons, the proposed rules fall under the exception in Texas Government Code, §2001.0225(a), because they are required by, and do not exceed, federal law. The commission has consistently applied this construction to its rules since this statute was enacted in 1997. Since that time, the legislature has revised the Texas Government Code, but left this provision substantially unamended. It is presumed that "when an agency interpretation is in effect at the time the legislature amends the laws without making substantial change in the statute, the legislature is deemed to have accepted the agency's interpretation." (*Central Power & Light Co. v. Sharp*, 919 S.W.2d 485, 489 (Tex. App. Austin 1995), *writ denied with per curiam opinion respecting another issue*, 960 S.W.2d 617 (Tex. 1997); *Bullock v. Marathon Oil Co*., 798 S.W.2d 353, 357 (Tex. App. Austin 1990, *no writ*). *Cf. Humble Oil & Refining Co. v. Calvert*, 414 S.W.2d 172 (Tex. 1967); *Dudney v. State Farm Mut. Auto Ins. Co.*, 9 S.W.3d 884, 893 (Tex. App. Austin 2000); *Southwestern Life Ins. Co. v. Montemayor*, 24 S.W.3d 581 (Tex. App. Austin 2000, *pet. denied*); and *Coastal Indust. Water Auth. v. Trinity Portland Cement Div.*, 563 S.W.2d 916 (Tex. 1978).) The commission's interpretation of the regulatory impact analysis requirements is also supported by a change made to the Texas Administrative Procedure Act (APA) by the legislature in 1999. In an attempt to limit the number of rule challenges based upon APA requirements, the legislature clarified that state agencies are required to meet these sections of the APA applying the standard of "substantial compliance" specified in Texas Government Code, §2001.035. The legislature specifically identified Texas Government Code, §2001.0225 as falling under this standard.

As presented in this analysis and elsewhere in this preamble, the evidence supports the conclusion that the commission has substantially complied with the requirements of Texas Government Code, §2001.0225. The proposed rules support implementation of the requirements of the FCAA as discussed in this analysis and elsewhere in this preamble. The proposed rules were determined to be necessary to comply with federal law and will not exceed any standard set by state or federal law. These proposed rules are also an express requirement of state law, as discussed elsewhere in this preamble. The proposed rules do not exceed a requirement of a delegation agreement or a contract between state and federal government, as the proposed rules, if adopted by the commission and approved by EPA, will become federal law as part of the approved SIP required by 42 U.S.C. §7410 (FCAA, §110). The proposed rules were not developed solely under the general powers of the agency but are authorized by specific sections of THSC, Chapter 382 (also known as the Texas Clean Air Act), and the Texas Water Code, which are cited in the STATUTORY AUTHORITY section of this preamble, including THSC, §§382.011, 382.012, 382.017, and 382.202(d-2). Therefore, this proposed rulemaking action is not subject to the regulatory analysis provisions of Texas Government Code, §2001.0225(b).

The commission invites public comment regarding the Draft Regulatory Impact Analysis Determination during the public comment period. Written comments on the Draft Regulatory Impact Analysis Determination may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), taking means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the United States Constitution or §17 or §19, Article I, Texas Constitution; or a governmental action that affects an owner's private real property that is the subject of the governmental action, in whole or in part or temporarily or permanently, in a manner that restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action; and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect.

The commission completed a takings impact analysis for the proposed rulemaking action under the Texas Government Code, Chapter 2007. The primary purpose of this proposed rulemaking action is to make changes to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble. As vehicle I/M programs are specifically required for certain nonattainment areas by the FCAA any changes that would affect the commission's ability to implement those programs must be submitted to and approved by EPA. Therefore, Chapter 2007 does not apply to this proposed rulemaking because it is an action reasonably taken to fulfill an obligation mandated by federal law, as provided by Texas Government Code, §2007.003(b)(4).

As discussed elsewhere in this preamble, the proposed rulemaking implements requirements of FCAA, 42 U.S.C. §7410, which requires states to adopt a SIP that provides for the implementation, maintenance, and enforcement of the NAAQS in each air quality control region of the state. While 42 U.S.C. §7410 generally does not require specific programs, methods, or reductions in order to meet the standard, I/M programs are specifically required by the FCAA. The SIP must include enforceable emission limitations and other control measures, means, or techniques (including economic incentives such as fees, marketable permits, and auctions of emissions rights), as well as schedules and timetables for compliance as may be necessary or appropriate to meet the applicable requirements of the FCAA. The provisions of the FCAA recognize that states are in the best position to determine what programs and controls are necessary or appropriate in order to meet the NAAQS. This flexibility allows states, affected industry, and the public, to collaborate on the best methods for attaining the NAAQS for the specific regions in the state. Even though the FCAA allows states to develop their own programs, this flexibility does not relieve a state from developing a program that meets the requirements of 42 U.S.C. §7410. States are not free to ignore the requirements of 42 U.S.C. §7410 and must develop programs to assure that their contributions to nonattainment areas are reduced so that these areas can be brought into attainment on the schedule prescribed by the FCAA.

States are required to adopt SIPs with enforceable emission limitations and other control measures, means, or techniques, as well as schedules and timetables for compliance, as may be necessary or appropriate to meet the applicable requirements of the

FCAA. If a state does not comply with its obligations under 42 U.S.C. §7410, FCAA, §110 to submit SIPs, states are subject to discretionary sanctions under 42 U.S.C. §7410(m) or mandatory sanctions under 42 U.S.C. §7509, FCAA, §179; as well as the imposition of a federal implementation plan (FIP) under 42 U.S.C. §7410, FCAA, §110(c).

In addition, the commission's assessment indicates that Texas Government Code, Chapter 2007 does not apply to these proposed rules because this action is taken to fully implement the statutory requirements in THSC, §382.202(d-2), as added by SB 2102 and consolidated by SB 1729, as discussed elsewhere in this preamble, which provided for changes to the vehicle I/M program which is a required element of the state implementation plan for ozone which addresses real and substantial threats to public health and safety; that is designed to significantly advance the health and safety purpose; and that does not impose a greater burden than is necessary to achieve the health and safety purpose. Thus, this action is exempt under Texas Government Code, §2007.003(b)(13). The proposed rules fulfill the FCAA requirement for states to create plans including control strategies to attain and maintain the NAAQS, as discussed elsewhere in this preamble. The proposed rules would assist in achieving the timely attainment of the ozone or CO NAAQS and reduced public exposure to ozone or CO. The NAAQS are promulgated by EPA in accord with the FCAA, which requires EPA to identify and list air pollutants that "cause[s] or contribute[s] to air pollution which may reasonably be anticipated to endanger public health and welfare" and "the presence of which in the ambient air results from numerous or diversion mobile or stationary sources," as required by 42 U.S.C. §7408. For those air pollutants listed, EPA then is required to issue air quality criteria identifying the latest scientific knowledge regarding on adverse health and welfare effects associated with the listed air pollutant, in accord with 42 U.S.C. §7408. For each air pollutant for which air quality criteria have been issued, EPA must publish proposed primary and secondary air quality standards based on the criteria that specify a level of air quality requisite to protect the public health and welfare from any known or anticipated adverse effects associated with the presence of the air pollutant in the ambient air, as required by 42 U.S.C. §7409. As discussed elsewhere in this preamble, states have the primary responsibility to adopt plans designed to attain and maintain the NAAQS.

The proposed rules will not create any additional burden on private real property beyond what is required under federal law, as the proposed rules, if adopted by the commission and approved by EPA, will become federal law as part of the approved SIP required by 42 U.S.C. §7410, FCAA, §110. The proposed rules will not affect private real property in a manner that would require compensation to private real property owners under the United States Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007. For these reasons, Texas Government Code, Chapter 2007 does not apply to this proposed rulemaking.

Consistency with the Coastal Management Program

The commission reviewed the proposed rulemaking and found the proposal is a rulemaking identified in the Coastal Coordination Act Implementation Rules, 31 TAC §29.11(b)(2) relating to rules subject to the Coastal Management Program, and will, therefore, require that goals and policies of the Texas Coastal Management Program (CMP) be considered during the rulemaking process.

Written comments on the consistency of this rulemaking may be submitted to the contact person at the address listed under the Submittal of Comments section of this preamble.

Announcement of Hearing

The commission will offer a virtual public hearing on this proposal on May 14, 2026, at 2:00 p.m. Central Daylight Time (CDT). The hearing is structured for the receipt of oral or written comments by interested persons. Individuals may present oral statements when called upon in order of registration. Open discussion will not be permitted during the hearing; however, commission staff members will be available to discuss the proposal 30 minutes prior to the hearing at 1:30 p.m. CDT.

Individuals who plan to attend the virtual hearing and want to provide oral comments and/or want their attendance on record should register by May 7, 2026. To register for the hearing, please e-mail *siprules@tceq.texas.gov* and provide the following information: your name, your affiliation, your e-mail address, your phone number, and whether or not you plan to provide oral comments during the hearing. Instructions for participating in the hearing will be sent on May 12, 2026, to those who register for the hearing.

The hearing will be conducted in English, and instructions for participating in the hearing will also be provided in Spanish. Persons who have special communication or other accommodation needs who are planning to attend the hearing should contact Sandy Wong, Office of Legal Services at (512) 239-1802 or 1-800-RELAY-TX (TDD). Requests should be made as far in advance as possible.

Submittal of Comments

Written comments may be submitted to Gwen Ricco, MC 205, Office of Legal Services, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, or faxed to *fax4808@tceq.texas.gov*. Electronic comments may be submitted at: *https://tceq.commentinput.com/comment/search*. File size restrictions may apply to comments being submitted via the TCEQ Public Comments system. All comments should reference Rule Project Number 2026-003-114-AI. The comment period closes on May 19, 2026. Please choose one of the methods provided to submit your written comments.

Copies of the proposed rulemaking can be obtained from the commission's website at *https://www.tceq.texas.gov/rules/propose_adopt.html*. For further information, please contact Stephen Cruz, Air Quality Planning Section, at stephen.cruz@tceq.texas.gov, (512) 239-1922 or Stephen Cruz, Texas Commission on Environmental Quality, MC 206, P.O. Box 13087, Austin, Texas 78711-3087.

SUBCHAPTER A. DEFINITIONS

30 TAC §114.2

Statutory Authority

The rules are proposed under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also proposed under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the State air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and procedures.

The proposed rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.202, and 382.205.

The amended rules are also proposed under and implement the provisions of Senate Bill (SB) 2102, 88th Legislature, Regular Session, 2023 and SB 1729, 89th Legislature, Regular Session, 2025.

§114.2. Inspection and Maintenance Definitions.

Unless specifically defined in Texas Health and Safety Code, Chapter 382, also known as the Texas Clean Air Act (TCAA), or in the rules of the commission, the terms used by the commission have the meanings commonly ascribed to them in the field of air pollution control. In addition to the terms that are defined by the TCAA, the following words and terms, when used in Subchapter C of this chapter (relating to Vehicle Inspection and Maintenance; Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program; and Early Action Compact Counties), have the following meanings, unless the context clearly indicates otherwise.

(1) Annual vehicle registration--The yearly process of officially recording a motor vehicle with the Texas Department of Motor Vehicles (DMV) for a duration of one year. This process begins when a vehicle becomes two years old, except for a rental vehicle, as defined in paragraph (9) in this section, for which this process begins when the vehicle becomes three years old.

(2) Initial rental vehicle registration--The process of initially registering a rental vehicle, as defined in this section, for a duration of 36 months. This process only applies to a new passenger car or light truck registering as a rental vehicle.

(3) [~~(1)~~] Motorist--A person or other entity responsible for the inspection, repair, and maintenance of a motor vehicle, which may include, but is not limited to, owners and lessees.

(4) [~~(2)~~] On-board diagnostic (OBD) system--The computer system installed in a vehicle by the manufacturer that monitors the performance of the vehicle emissions control equipment, fuel metering system, and ignition system for the purpose of detecting malfunction or deterioration in performance that would be expected to cause the vehicle not to meet emissions standards. All references to OBD should be interpreted to mean the second generation of this equipment, sometimes referred to as OBD II.

(5) [~~(3)~~] On-road test--Utilization of remote sensing technology to identify vehicles operating within the inspection and maintenance program areas that have a high probability of being high-emitters.

(6) [~~(4)~~] Out-of-cycle test--Required emissions test not associated with vehicle safety inspection testing cycle.

(7) [~~(5)~~] Primarily operated--Use of a motor vehicle greater than 60 calendar days per testing cycle in an affected county. Motorists shall comply with emissions requirements for such counties. It is presumed that a vehicle is primarily operated in the county in which it is registered.

(8) [~~(6)~~] Program area--County or counties in which the Texas Department of Public Safety, in coordination with the commission, administers the vehicle emissions inspection and maintenance program contained in the Texas Inspection and Maintenance State Implementation Plan. These program areas include:

(A) the Dallas-Fort Worth program area, consisting of the following counties: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant;

(B) the El Paso program area, consisting of El Paso County;

(C) the Houston-Galveston-Brazoria program area, consisting of Brazoria, Fort Bend, Galveston, Harris, and Montgomery Counties; and

(D) the Bexar County program area, consisting of Bexar County.

(9) [~~(7)~~] Rental vehicle--A motor vehicle for which a rental certificate has been furnished as provided by Texas Tax Code, §152.061.

(10) [~~(8)~~] Retests--Successive vehicle emissions inspections following the failing of an initial test by a vehicle during a single testing cycle.

(11) [~~(9)~~] Testing cycle--The annual cycle commencing with the first vehicle registration expiration date for which a motor vehicle is subject to a vehicle emissions inspection.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 2, 2026.

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Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
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For further information, please call: (512) 239-2678

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SUBCHAPTER C. VEHICLE INSPECTION AND MAINTENANCE; LOW INCOME VEHICLE REPAIR ASSISTANCE, RETROFIT, AND ACCELERATED VEHICLE RETIREMENT PROGRAM; AND EARLY ACTION COMPACT COUNTIES

DIVISION 1. VEHICLE INSPECTION AND MAINTENANCE

30 TAC §114.53

Statutory Authority

The rules are proposed under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also proposed under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the State air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.0622, concerning clean air act fees, which provides authority for various fees collected by the commission; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and procedures.

The proposed rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.0622, 382.202, and 382.205.

The amended rules are also proposed under and implement the provisions of Senate Bill (SB) 2102, 88th Legislature, Regular Session, 2023 and SB 1729, 89th Legislature, Regular Session, 2025.

§114.53. Inspection and Maintenance Fees.

(a) The following fees must be paid for an emissions inspection of a vehicle at an inspection station. This fee must include one free retest should the vehicle fail the emissions inspection provided that the motorist has the retest performed at the same station where the vehicle originally failed and submits, prior to the retest, a properly completed vehicle repair form showing that emissions-related repairs were performed and the retest is conducted within 15 days of the initial emissions test.

(1) Any emissions inspection station required to conduct an emissions test in accordance with §114.50(a)(1) of this title (relating to Vehicle Emissions Inspection Requirements) in El Paso County must collect a fee not to exceed $11.50, and any emissions inspection station required to conduct an emissions test in accordance with §114.50(a)(1) of this title in the Dallas-Fort Worth and Houston-Galveston-Brazoria program areas must collect a fee not to exceed $18.50.

(2) In the Bexar County program area beginning November 1, 2026, any emissions inspection station in Bexar County required to conduct an emissions test in accordance with §114.50(a)(2)(A) or (B) of this title must collect a fee not to exceed $18.50.

(b) The per-vehicle fee and the amount the inspection station remits to the DPS for a challenge test at an inspection station designated by the Texas Department of Public Safety (DPS), must be the same as the amounts set forth in subsection (a) of this section. The challenge fee must not be charged if the vehicle is retested within 15 days of the initial test.

(c) Inspection stations performing out-of-cycle vehicle emissions inspections for the state's remote sensing element must charge a motorist for an out-of-cycle emissions inspection in the amount specified in subsection (a) of this section resulting from written notification that subject vehicle failed on-road testing. If the vehicle passes the vehicle emissions inspection, the vehicle owner may request reimbursement from the DPS.

(d) Vehicle owners shall remit the amount of the vehicle emissions inspection fee that is required to be remitted to the state as part of the fees [~~annual vehicle registration fee~~] collected by the Texas Department of Motor Vehicles (DMV) or county tax assessor-collector at annual vehicle registration, as defined in §114.2 of this title (relating to Inspection and Maintenance Definitions), and initial rental vehicle registration, as defined in §114.2 of this title. [~~the amount of the vehicle emissions inspection fee that is required to be remitted to the state.~~]

(1) In El Paso County, the following requirements apply.

(A) If participating in the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), vehicle owners shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title (relating to Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program Definitions).

(B) If participating in the LIRAP and in the process of opting out, vehicle owners shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) If not participating in the LIRAP, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(2) In the Dallas-Fort Worth program area, the following requirements apply.

(A) Vehicle owners in counties participating in the LIRAP shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title.

(B) Vehicle owners in counties participating in the LIRAP that are in the process of opting out shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as de-

fined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(3) In the Houston-Galveston-Brazoria program area, the following requirements apply.

(A) Vehicle owners in counties participating in the LIRAP shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title.

(B) Vehicle owners in counties participating in the LIRAP that are in the process of opting out shall remit $8.50 for motor vehicles subject to OBD tests to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $8.50 remitted for OBD tests, $6.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(C) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(4) In the Bexar County program area, vehicle owners shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
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For further information, please call: (512) 239-2678

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DIVISION 3. EARLY ACTION COMPACT COUNTIES

30 TAC §114.87

Statutory Authority

The rules are proposed under the authority of Texas Water Code (TWC), §5.102, concerning general powers; TWC, §5.103, concerning rules; TWC, §5.105, concerning general policy; and Texas Health & Safety Code (THSC), §382.017, concerning rules.

The rules are also proposed under THSC, §382.002, concerning the policy and purpose which establishes the commission's purpose to safeguard the state's air resources consistent with the protection of public health, general welfare, and physical property; THSC, §382.011, concerning general powers and duties, which authorizes the commission to control the quality of the state's air; THSC, §382.012, concerning the State air control plan, which authorizes the commission to prepare and develop a general, comprehensive plan for the control of the state's air; THSC, §382.0622, concerning clean air act fees, which provides authority for various fees collected by the commission; THSC, §382.202, concerning the vehicle emissions inspection and maintenance program, which provides authority for the program; THSC, §382.203, concerning vehicles subject to program, exemptions, which provides authority for the inspection of specific vehicles; and THSC, §382.205, concerning inspection equipment and procedures, which provides authority vehicle inspection equipment and procedures.

The proposed rules implement TWC, §§5.102, 5.103, and 5.105; and THSC, §§382.002, 382.011, 382.012, 382.017, 382.0622, 382.202, and 382.205.

The proposed rules are also proposed under and implement the provisions of Senate Bill 2102, 88th Legislature, Regular Session.

§114.87. Inspection and Maintenance Fees.

(a) The following fees must be paid for an emissions inspection of a vehicle at an inspection station in an affected early action compact program county. This fee must include one free retest if the vehicle fails the emissions inspection, provided that the motorist has the retest performed at the same station where the vehicle originally failed; the motorist submits, prior to the retest, a properly completed vehicle repair form showing that emissions-related repairs were performed; and the retest is conducted within 15 days of the initial emissions test. In Travis and Williamson Counties, any emissions inspection station required to conduct an emissions test in accordance with §114.80 of this title (relating to Applicability) must collect a fee not to exceed $11.50 for each emissions test.

(b) The per-vehicle fee and the amount the inspection station remits to the DPS for a challenge test at an inspection station designated by the DPS must be the same as the amounts specified in subsection (a) of this section. The challenge fee must not be charged if the vehicle is retested within 15 days of the initial test.

(c) Inspection stations performing out-of-cycle vehicle emissions inspections resulting from written notification that the subject vehicle failed on-road testing (remote sensing) must charge a motorist for an out-of-cycle emissions inspection in the amount specified in subsection (a) of this section. If the vehicle passes the vehicle emissions inspection, the vehicle owner may request reimbursement from the DPS.

(d) In Travis and Williamson Counties, the following requirements apply.

(1) Vehicle owners in counties participating in Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) shall remit $4.50 for motor vehicles subject to vehicle emissions inspections to the Texas Department of Motor Vehicles (DMV) or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title (relating to Inspection and Maintenance Definitions), and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title (relating to Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program Definitions).

(2) Vehicle owners in counties participating in the LIRAP and in the process of opting out shall remit $4.50 for motor vehicles subject to emissions inspection to the DMV or county tax assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee until the LIRAP fee termination effective date as defined in §114.7 of this title. Of the $4.50 remitted, $2.00 constitutes the LIRAP fee as defined in §114.7 of this title. Upon the LIRAP fee termination effective date, vehicle owners in participating counties that are in the process of opting out of the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspections to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

(3) Vehicle owners in counties not participating in the LIRAP shall remit $2.50 for motor vehicles subject to vehicle emissions inspection to the DMV or county tax-assessor-collector at the time of annual vehicle registration, as defined in §114.2 of this title, and initial rental vehicle registration, as defined in §114.2 of this title, as part of the vehicle emissions inspection fee.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Amy L. Browning
Acting Deputy Director, Environmental Law Division
Texas Commission on Environmental Quality
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TITLE 31. NATURAL RESOURCES AND CONSERVATION

PART 10. TEXAS WATER DEVELOPMENT BOARD

CHAPTER 356. GROUNDWATER MANAGEMENT

The Texas Water Development Board (TWDB) proposes amendments to 31 Texas Administrative Code (TAC) Subchapters C. D, and E, more specifically §§356.32, 356.42, 356.52, and 356.54.

BACKGROUND AND SUMMARY OF THE FACTUAL BASIS FOR THE PROPOSED AMENDMENT.

The TWDB proposes amendments to Subchapters C. D, and E, 31 TAC Chapter 356, containing the agency's rules related to Groundwater Management. The TWDB proposes to amend the rules to implement relevant provisions of House Bill 2078, 89th Regular Session (HB 2078) and Senate Bill 1583, 89th Regular Session (SB 1583). TWDB is proposing this rulemaking primarily to modernize, update, and clarify rule language to facilitate groundwater management in the state and to clarify requirements for groundwater conservation districts.

HB 2078 amended Chapter 36 of the Water Code by requiring groundwater conservation district representatives within a groundwater management area to review each district's management plan at least once during each five-year planning period. In reviewing management plans, districts in the groundwater management area must consider the degree to which each district is achieving desired future conditions through the implementation of its management plan and rules. Additionally, the districts and district representatives within a groundwater management area are required to adopt and identify interim values for the desired future conditions for each 50-year planning period. This proposed rulemaking implements HB 2078's additional responsibilities of the groundwater conservation district representatives.

HB 2078 amended Chapter 36 of the Water Code by adding additional information that groundwater conservation districts must include in a groundwater management plan. The groundwater management plan must include an explanation in plain language of how the district monitors and tracks desired future conditions and how the district has performed in achieving the desired future conditions of the preceding five-year joint planning period. SB 1583 amended Chapter 36 of the Water Code by requiring groundwater conservation districts to include the most recently approved desired future conditions in the groundwater management plan. This proposed rulemaking implements HB 2078's and SB 1583's additional groundwater management plan requirements.

SB 1583 amended Chapter 36 of the Water Code by clarifying which desired future condition and modeled available groundwater amounts a groundwater conservation district must include in its management plan in the event a petition is filed challenging the reasonableness of a groundwater conservation district's desired future condition. The groundwater conservation district management plan is considered administratively complete by the TWDB Executive Administrator if the plan includes, in addition to the information required by Section 36.1071(a) and (e), the most recently approved desired future conditions, the amount of modeled available groundwater corresponding to those desired future conditions, and a statement on the status of the petition. This applies until a final order is issued or the desired future condition is found to be unreasonable, requiring a newly adopted desired future condition. This proposed rulemaking implements SB 1583's clarification for which desired future condition and modeled available groundwater amounts should be included for an administratively complete groundwater conservation district management plan in the event there is a contested desired future condition.

SB 1583 amended Chapter 36 of the Water Code by requiring a groundwater conservation district to amend the management plan prior to the second anniversary of adopting new desired future conditions. This proposed rulemaking implements