

Texas Commission on Environmental Quality

Interoffice Memorandum

To: Commissioners **Date:** March 13, 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 Proposed Rulemaking
Chapter 114, Control of Air Pollution from Motor Vehicles
Senate Bills (SB) 2102 and 1729 Implementation
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 would 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 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. 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 forward 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) 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

¹ Tex. [S.B. 2102](#), 88th Leg., R.S. (2023).

² Tex. [S.B. 1729](#), 89th Leg., R.S. (2025).

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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 proposed rulemaking would amend 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 proposed SB 2102 and SB 1729 Implementation I/M SIP Revision (Project No. 2026-004-SIP-NR) would incorporate the proposed 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 proposed rulemaking would 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 proposed rule would add definitions for "annual vehicle registration" and "initial rental vehicle registration." This rulemaking would only affect owners of new rental vehicles and would not change any fee amounts in 30 TAC Chapter 114.

A.) Summary of what the rulemaking would do:

The proposed rulemaking, if adopted, would 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 would incorporate the proposed I/M rules into the SIP. The proposed rulemaking would amend 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 proposed rulemaking and associated SIP revision would 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 proposed 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

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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 would only affect owners of new rental vehicles. Owners of new rental vehicles would 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 would not be affected by the proposed rulemaking.

C.) Agency programs:

None.

Stakeholder meetings:

The commission did not hold any stakeholder meetings related to this rulemaking; however, if the proposed rulemaking is approved by the commission for public comment and public hearing, then a formal public comment period would be opened, and a public hearing would be offered.

Public Involvement Plan

Yes.

Alternative Language Requirements

Yes. Spanish.

Potential controversial concerns and legislative interest:

None.

Would this rulemaking affect any current policies or require development of new policies?

This rulemaking would 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 proposal rulemaking schedule:

Anticipated proposal date: April 1, 2026

Anticipated *Texas Register* publication date: April 17, 2026

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Anticipated public hearing date: May 14, 2026

Anticipated public comment period: April 3, 2026, through May 19, 2026

Anticipated adoption date: September 9, 2026

Agency contacts:

Stephen Cruz, Rule Project Manager, Air Quality Division, (512) 239-1922
Contessa N. Gay, Staff Attorney, Environmental Law Division, (512) 239-5938
Terry G. Salem, Staff Attorney, Environmental Law Division, (512) 239-0469
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