

## **BILL ANALYSIS**

C.S.H.B. 685  
By: Orr  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Volunteer fire departments (VFD) provide emergency services for large parts of the state's territory and population. VFDs frequently face financial constraints that can limit their ability to provide services and protect lives and property. The cost of fuel for their emergency vehicles constitutes a significant expense for VFDs. The state currently provides an exemption to the state motor fuels and diesel tax to such entities as the federal government and public school district. CSHB 685 will add volunteer fire departments to the existing list of entities who can purchase fuels without paying the state fuel tax.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

CSHB 685 adds volunteer fire departments to the list of entities that can purchase gasoline and diesel without paying the state motor fuels tax. The fuel purchased without paying the tax can only be for use by the VFD. The bill adds volunteer fire departments to the list of entities to whom license holders may sell gasoline and diesel and file for a refund or credit for the state tax paid on such sales.

The bill will be effective September 1, 2007 or immediately if the Act receives two-thirds of the vote in each house.

### **EFFECTIVE DATE**

September 1, 2007 or immediately if the Act receives two-thirds of the vote in each house.

### **COMPARISON OF SUBSTITUTE TO ORIGINAL**

The substitute allows VFDs to file directly with the Comptroller for a refund of fuel taxes paid. The substitute also removes the listing of VFDs as being an entity to whom license-holders may sell motor fuels and then file for a refund of taxes paid.