

By: Israel

H.B. No. 4281

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a county motor fuels tax in certain counties for
3 mobility improvement projects; providing authority to impose the
4 tax, issue bonds, and impose penalties.

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

6 SECTION 1. Subtitle B, Title 14, Local Government Code, is
7 amended by adding Chapter 616 to read as follows:

8 CHAPTER 616. COUNTY MOTOR FUELS TAX FOR MOBILITY IMPROVEMENT

9 PROJECTS

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 616.001. SHORT TITLE. This chapter may be cited as the
12 Texas Local Option Transportation Act.

13 Sec. 616.002. DEFINITIONS. In this chapter:

14 (1) "Advanced rapid transit" means high-capacity
15 transit provided wholly or partly in dedicated lanes with stations,
16 off-vehicle fare collection, and branded vehicles connected using
17 vehicle-to-vehicle or other technology controlled by an in-vehicle
18 or remote driver or autonomous technology.

19 (2) "Dealer," "diesel fuel," "gasoline," "motor
20 fuel," "motor vehicle," "public highway," and "sale" have the
21 meanings assigned by Section 162.001, Tax Code.

22 (3) "Department" means the Texas Department of
23 Transportation.

24 (4) "Intermodal hub" and "transit system" have the

1 meanings assigned by Section 370.003, Transportation Code.

2 (5) "Metropolitan planning organization" has the
3 meaning assigned by Section 472.031, Transportation Code.

4 (6) "Mobility improvement project" means a capital
5 improvement or set of related capital improvements in a geographic
6 area, including maintenance and operation of the improvements,
7 designed to relieve traffic congestion, increase mobility and the
8 movement of traffic or individuals, expand transportation
9 capacity, promote traffic or pedestrian safety, or improve air
10 quality. The term includes:

11 (A) passenger rail systems and related
12 infrastructure;

13 (B) advanced rapid transit systems and related
14 infrastructure;

15 (C) transit systems;

16 (D) intermodal hubs;

17 (E) pedestrian facilities;

18 (F) streets, roadways, highways, and additional
19 roadway or highway lanes, such as turning lanes and managed or high
20 occupancy vehicle lanes; and

21 (G) bridges, tunnels, interchanges, overpasses,
22 underpasses, service roads, ramps, entrance plazas, parking areas
23 or structures, and traffic signal systems.

24 (7) "Transit authority" or "transportation authority"
25 means an authority operating under Chapter 370, 451, 452, or 460,
26 Transportation Code.

27 Sec. 616.003. REDUCTION PROHIBITED. (a) A county,

1 municipality, regional mobility authority, or metropolitan
2 planning organization may not be penalized with a reduction in
3 state or federal transportation funding, including funding from the
4 state highway fund, the Texas mobility fund, general obligation
5 bonds, or any other method of state or federal transportation
6 financing, because of the imposition of a county motor fuels tax
7 under this chapter.

8 (b) The department may not reduce any allocation of state or
9 federal transportation funding to a department district because the
10 district contains a county that imposes a county motor fuels tax
11 under this chapter.

12 Sec. 616.004. RESTRICTIONS ON LOBBYING. A county that
13 imposes a county motor fuels tax under this chapter may not use
14 revenue from the tax to pay a person or entity that is required to
15 register with the Texas Ethics Commission under Chapter 305,
16 Government Code.

17 Sec. 616.005. LIBERAL CONSTRUCTION. This chapter shall be
18 liberally construed to effect its purposes.

19 Sec. 616.006. EXPIRATION OF CHAPTER. (a) This chapter
20 expires January 1, 2029. The expiration of this chapter precludes
21 the holding of an election or the imposition of a county motor fuels
22 tax not authorized under this chapter before its expiration.

23 (b) The expiration of this chapter does not affect:

24 (1) the enforcement of bonds, obligations, covenants,
25 or other legal instruments issued or executed under this chapter
26 before its expiration;

27 (2) the continued imposition and collection of a

1 county motor fuels tax authorized at an election held under this
2 chapter necessary to fulfill an obligation or other instrument
3 described by Subdivision (1) before its expiration;

4 (3) the performance of any mobility improvement
5 project, including maintenance and operation of a project; or

6 (4) the administration of a county mobility
7 improvement fund established under this chapter for county motor
8 fuels tax revenue.

9 Sec. 616.007. PROHIBITIONS ON USE OF REVENUE. A county may
10 not use revenue from a county motor fuels tax imposed under this
11 chapter for a purpose not authorized by the constitution of this
12 state or to directly or indirectly hold, promote, or oppose an
13 election under this chapter, including paying for promotional,
14 educational, or advocacy materials.

15 Sec. 616.008. INTERLOCAL CONTRACTING AUTHORITY. (a) A
16 political subdivision may contract or agree with another political
17 subdivision to perform governmental functions and services in
18 accordance with this chapter.

19 (b) A party to an interlocal contract may contract with an
20 agency, as that term is defined by Section [771.002](#), Government
21 Code.

22 (c) In this section, "interlocal contract" has the meaning
23 assigned by Section [791.003](#), Government Code.

24 Sec. 616.009. ANNUAL REPORT AND AUDIT. (a) On or before
25 the 90th day following the end of the fiscal year of a county that
26 imposes a motor fuels tax under this chapter, the commissioners
27 court must submit a report to the executive director of the

1 department and to the state auditor. The report must include:

2 (1) the amount of revenue collected in the county
3 under this chapter;

4 (2) the amount and purpose of expenditures related to
5 mobility improvement projects; and

6 (3) a description of the progress made toward
7 completion of mobility improvement projects.

8 (b) The county must publish the report required under
9 Subsection (a) on the county's Internet website at the time the
10 report is submitted to the department.

11 (c) Based on a risk assessment process in accordance with
12 Chapter 321, Government Code, the financial transactions of a
13 county regarding a motor fuels tax imposed under this chapter and
14 related mobility improvement projects are subject to audit by the
15 state auditor. A county audited under this subsection shall
16 reimburse the state auditor for the expense of the audit.

17 SUBCHAPTER B. ELECTIONS; PROJECT SELECTION; EQUITY

18 Sec. 616.051. CALLING OF ELECTION. (a) The commissioners
19 court of a county with a population of more than one million may
20 call an election on the issue of imposing a motor fuels tax under
21 this chapter if:

22 (1) at least 240 days before the uniform election date
23 in November, a resolution or resolutions requesting that an
24 election be called are adopted by the commissioners court of the
25 county; or

26 (2) at least 210 days before the uniform election date
27 in November, a petition is submitted to the commissioners court of

1 the county requesting that the election be called that is signed by
2 the number of registered voters of the county equal to at least 10
3 percent of the total number of votes cast in the county for all
4 candidates for governor in the most recent gubernatorial general
5 election.

6 (b) The commissioners court may adopt an order under this
7 section only after holding three public hearings on the issue.

8 (c) An election called under this section must be held on
9 the uniform election date in November.

10 (d) Section 334.025 applies to an election called under this
11 section.

12 Sec. 616.052. SUBSEQUENT ELECTIONS. (a) This section
13 applies only to a county in which the majority of voters did not
14 approve the imposition of a county motor fuels tax at an election
15 held under Section 616.051.

16 (b) The commissioners court by order may call a subsequent
17 election to impose the motor fuels tax authorized under this
18 chapter using the procedures described by this subchapter.

19 (c) The commissioners court of a county may not call a
20 subsequent election under this section before the second
21 anniversary of a previously held election.

22 Sec. 616.053. REQUIRED BALLOT LANGUAGE. (a) An order under
23 this subchapter calling an election must:

24 (1) list and generally describe the nature and scope
25 of the proposed mobility improvement projects to be constructed;
26 and

27 (2) list the estimated cost, or portion of the cost,

1 and the estimated completion date for the capital construction of
2 each proposed mobility improvement project.

3 (b) The ballot at an election held under this subchapter
4 must be printed as follows: "Authorizing _____ (insert name of
5 county) to construct the following mobility improvement
6 projects:_____ (insert, on four separate lines, a general and
7 brief description of each proposed mobility improvement project, an
8 estimated total cost of each project, the estimated date of
9 expiration of any necessary bonds, and the estimated date the
10 project will be operational to the public). The construction,
11 maintenance, and operation of the project or projects listed above
12 will be funded with a 10 cent tax imposed on the sale of a gallon of
13 gasoline and diesel fuel. By voting "yes," you authorize the county
14 to begin imposing a 10 cent motor fuels tax on the sale of a gallon
15 of gasoline and diesel fuel. Do you authorize the construction of
16 the mobility improvement projects listed above and the imposition
17 of a county motor fuels tax in _____ County?"

18 (c) The estimated cost of construction of a mobility
19 improvement project listed on a ballot is not a legally binding
20 restriction on the actual and ultimate cost of financing the
21 project.

22 (d) A ballot may not permit individual mobility improvement
23 projects to be voted on as separate options. All mobility
24 improvement projects included on a ballot must be approved or
25 rejected as a group.

26 Sec. 616.054. AUTHORIZED PROJECTS. (a) A county may
27 propose for funding by a motor fuels tax imposed under this chapter,

1 to the extent permitted by the constitution of this state:

2 (1) the construction of a new mobility improvement
3 project and related maintenance and operations;

4 (2) the expansion, reconstruction, or rehabilitation
5 of an existing mobility improvement project;

6 (3) improvements in the maintenance and operation of
7 an existing mobility improvement project; or

8 (4) the retirement of existing debt of a transit
9 agency related to a mobility improvement project.

10 (b) A county may only use funds collected from a motor fuels
11 tax imposed under this chapter to fund mobility improvement
12 projects consistent with the transportation plans and programs of
13 the metropolitan planning organization in which the county is
14 located.

15 (c) A county shall consider advanced rapid transit
16 corridors in selecting projects for funding under this chapter.

17 (d) On or before the 30th day before the date described in
18 Subsection (e), the metropolitan planning organization in which the
19 county is located shall submit to the county a list of eligible
20 mobility improvement projects with a primary emphasis on advanced
21 rapid transit and major roadway improvements.

22 (e) On or before the 180th day before an election is held
23 under this subchapter, the commissioners court shall, by order and
24 in consultation with municipalities and transit agencies located or
25 operating in the county, determine in a public hearing which
26 projects from the list submitted under Subsection (d) shall be
27 proposed for funding from a motor fuels tax imposed under this

1 chapter.

2 (f) At the discretion of the county, employees of the
3 department, the county, a municipality, a metropolitan planning
4 organization, an airport, or a transit authority may be asked to
5 provide staff support services to the county to determine the
6 projects to be proposed and constructed.

7 SUBCHAPTER C. COUNTY MOTOR FUELS TAX

8 Sec. 616.101. COUNTY MOTOR FUELS TAX AUTHORIZED;
9 EXPIRATION. (a) Notwithstanding Section 162.014, Tax Code, if
10 approved by a majority of the votes cast in a county at an election
11 held under Subchapter B, the county shall impose a tax at a rate of
12 10 cents per gallon on the sale of gasoline and diesel fuel that is
13 sold in the county by a person, including a dealer, distributor,
14 supplier, or permissive supplier, engaged in the sale of motor
15 fuels used to propel a motor vehicle on the public highways of the
16 state.

17 (b) The tax authorized by this section is in addition to the
18 tax imposed by Chapter 162, Tax Code, and shall be collected in
19 conjunction with that tax when gasoline or diesel fuel is removed
20 from a terminal using the terminal rack, other than by bulk
21 transfer, to be sold or delivered into a county that has imposed the
22 tax authorized by this section.

23 (c) A county shall discontinue the imposition of a motor
24 fuels tax under this chapter if:

25 (1) all of the mobility improvement projects approved
26 by the voters of a county are accepted by the governmental entity
27 that contracted for the projects;

1 (2) all of the bonds issued for mobility improvement
2 projects are paid in full; and

3 (3) additional revenue from the continued imposition
4 of the tax is not necessary for ongoing maintenance and operation of
5 mobility improvement projects, including the financial impact a new
6 mobility improvement project may have on an existing transit system
7 as specified by an interlocal agreement.

8 Sec. 616.102. DUTIES OF COMPTROLLER RELATING TO COUNTY
9 MOTOR FUELS TAX. (a) The comptroller shall administer, collect,
10 and enforce a tax imposed on the sale of gasoline or diesel fuel
11 approved in accordance with the provisions of this chapter. The tax
12 shall be exclusively administered, collected, and enforced in
13 conformance with Chapter 162, Tax Code, governing the tax assessed
14 on the sale of gasoline and diesel fuel, except that Subchapter F,
15 Chapter 162, Tax Code, does not apply. References in Chapter 162,
16 Tax Code, to taxes imposed under that chapter also include taxes
17 imposed under this section.

18 (b) The exemptions provided by Sections 162.104 and
19 162.204, Tax Code, apply to the tax authorized by this section.

20 (c) Subject to Section 616.103, the comptroller may adopt
21 reasonable rules and prescribe forms that are consistent with this
22 chapter and Chapter 162, Tax Code, for the administration,
23 collection, reporting, and enforcement of this section.

24 (d) Except as provided by Subsection (e), the tax authorized
25 by this section takes effect on the first day of the first calendar
26 quarter following the expiration of the first complete quarter
27 occurring after the date of the election authorizing the order

1 imposing the tax under Subchapter B.

2 (e) If the comptroller determines that an effective date
3 provided by Subsection (d) will occur before the comptroller can
4 reasonably take the action required to begin collecting the tax,
5 the comptroller may delay the effective date until the first day of
6 the first calendar quarter following the date the comptroller
7 declares that the comptroller is ready to begin collecting the tax.

8 (f) Before making a distribution to a county under Section
9 616.105, the comptroller shall deduct any costs incurred by the
10 comptroller related to the comptroller's preparations to
11 administer, collect, and enforce a tax on the sale of gasoline or
12 diesel fuel approved in accordance with this chapter. Each county
13 that approves the imposition of a tax on the sale of gasoline or
14 diesel fuel shall be charged a pro rata amount for the comptroller's
15 costs in preparing to administer, collect, and enforce the tax. If
16 only one county elects to approve the imposition of a tax on the
17 sale of gasoline or diesel fuel in its jurisdiction, that county
18 shall bear all of the costs incurred by the comptroller but may
19 recover pro rata shares of this cost from other counties that
20 approve the imposition of the tax.

21 Sec. 616.103. ADOPTION OF RULES RELATING TO MOTOR FUELS
22 TAX. (a) Before the comptroller may adopt rules under Section
23 616.102, the comptroller must consult with representatives of:

24 (1) the entities that would be required to:

25 (A) collect and remit a motor fuels tax imposed
26 under this chapter; and

27 (B) file reports with the comptroller relating to

1 a motor fuels tax imposed under this chapter; and

2 (2) counties in which the voters have approved the
3 imposition of a motor fuels tax under this chapter.

4 (b) Rules adopted under Section 616.102 must provide for the
5 uniform administration and reporting of all motor fuels taxes
6 imposed by a county under this chapter. A county may not impose
7 requirements on an entity required to collect a motor fuels tax
8 under this chapter that are not specifically authorized by the
9 rules adopted under Section 616.102.

10 (c) Rules adopted under Section 616.102:

11 (1) may require the comptroller to report sufficient
12 information to each county imposing a motor fuels tax under this
13 chapter to ensure proper allocation of revenue by the county under
14 this chapter;

15 (2) may not require the comptroller to report
16 proprietary information collected from an individual taxpayer in a
17 way that would be subject to public disclosure; and

18 (3) may not authorize a county imposing a motor fuels
19 tax under this chapter to contract with a private entity to perform
20 any duty or responsibility associated with the collection,
21 enforcement, or administration of the tax.

22 Sec. 616.104. TRUST ACCOUNT. The comptroller shall deposit
23 the county taxes collected by the comptroller under this chapter
24 and Chapter 162, Tax Code, in trust in the separate suspense account
25 of the county for which the taxes were collected.

26 Sec. 616.105. DISTRIBUTION OF TRUST FUNDS. The comptroller
27 shall each month distribute to the county treasurer, payable to the

1 county and for deposit in the county mobility improvement fund, the
2 county's share of the taxes collected by the comptroller under this
3 chapter and Chapter 162, Tax Code.

4 Sec. 616.106. STATE'S SHARE. Before making a distribution
5 to a county under Section 616.105, the comptroller also shall
6 deduct an amount not to exceed two percent of the amount of the
7 taxes collected for the county during the period for which a
8 distribution is made as the state's charge for its services. The
9 comptroller shall credit the amount deducted to the general revenue
10 fund. The comptroller shall adjust the percentage of the amount
11 deducted each state fiscal year considering the projected
12 expenditures necessary for the collection, administrative, and
13 enforcement functions related to the county motor fuels tax.

14 Sec. 616.107. AMOUNTS RETAINED IN TRUST ACCOUNT. (a) The
15 comptroller may retain in the suspense account of a county a portion
16 of the county's share of the tax collected for the county under this
17 chapter and Chapter 162, Tax Code, not to exceed five percent of the
18 amount distributed to the county. If the county has abolished the
19 tax, the amount that may be retained may not exceed five percent of
20 the final distribution to the county at the time of the termination
21 of the collection of the tax.

22 (b) From the amounts retained in a county's suspense
23 account, the comptroller may correct erroneous deposits to the
24 account, make refunds for overpayments to the account, and redeem
25 dishonored checks and drafts deposited to the credit of the
26 account.

27 (c) Before the fourth anniversary of the effective date of

1 the abolition of a county tax collected under this chapter and
2 Chapter 162, Tax Code, the comptroller shall send to the county the
3 remainder of the money in the county's account and shall close the
4 account.

5 Sec. 616.108. INTEREST ON TRUST ACCOUNT. Interest earned
6 on all deposits made by the comptroller under this subchapter shall
7 be credited to the suspense account of the county.

8 SUBCHAPTER D. FUND

9 Sec. 616.151. COUNTY MOBILITY IMPROVEMENT FUND. (a) The
10 commissioners court of each county that imposes a motor fuels tax
11 under this chapter shall, by order, establish a county mobility
12 improvement fund that is separate and apart from the county's
13 general fund account.

14 (b) The county shall deposit in the fund money distributed
15 to the county under Section 616.105.

16 (c) The county shall establish segregated accounts in the
17 fund for each approved mobility improvement project.

18 (d) Money in the fund, including any interest earned, is the
19 property of the county depositing the money and may be spent only as
20 provided by Section 616.152.

21 Sec. 616.152. USE OF MONEY IN FUND; ISSUANCE OF BONDS.

22 (a) A county may use money in its county mobility improvement
23 fund, to the extent permitted by the constitution of this state, to:

24 (1) reimburse or pay, without issuing bonds or other
25 obligations or otherwise creating debt, the costs of planning,
26 acquiring, establishing, developing, constructing, or renovating
27 mobility improvement projects in the county that were approved at

1 an election under this subchapter;

2 (2) pay the principal of, interest on, or other costs
3 relating to bonds or other obligations the county issues for the
4 purpose of financing mobility improvement projects in the county
5 that were approved at an election under this subchapter;

6 (3) pay amounts due and owing to a transit authority or
7 transportation authority under a contract or interlocal agreement
8 between the county and the authority under which the authority
9 agrees to provide, develop, construct, install, and operate
10 advanced rapid transit facilities and services inside and outside
11 the county and to issue bonds and other obligations that are secured
12 by and payable from the amounts due from the county under the
13 contract or interlocal agreement for the purpose of financing the
14 capital costs of the facilities, if a county motor fuels tax was
15 approved for that purpose at an election under this chapter;

16 (4) pay amounts due and owing to a municipality under a
17 contract or interlocal agreement between the county and the
18 municipality under which the municipality agrees to provide,
19 develop, or construct mobility improvement projects located inside
20 the municipality;

21 (5) pay amounts owed to a transit agency to accelerate
22 the retirement of outstanding debt; and

23 (6) reimburse or pay the actual and customary costs of
24 financial administration of the fund.

25 (b) A contract or interlocal agreement entered into between
26 a county and a transit authority or transportation authority for
27 the purposes described by Subsection (a)(3) may have those terms

1 and provisions, and may impose and contain requirements, grants,
2 and limitations, as the county and the transit authority or
3 transportation authority may mutually agree, including the power of
4 the transit authority or transportation authority to pledge as
5 security for its bonds all amounts, less agreed costs of
6 collection, deposited to the county's local option transportation
7 fund, if such a pledge was approved at an election under this
8 subchapter.

9 (c) Bonds or other obligations issued by a county under this
10 section may be made payable from money in the county's county
11 mobility improvement fund, subject to any limitations contained in
12 a contract or interlocal agreement between the county and a transit
13 authority or transportation authority, and from any other sources
14 of revenue of the county that are lawfully available. Bonds or
15 other obligations issued by a transit authority or transportation
16 authority under a contract or interlocal agreement shall be payable
17 from and secured by the money in the county's county mobility
18 improvement fund and the revenue received from the operation of the
19 advanced rapid transit services financed by the bonds or other
20 obligations and may not include any revenue the transit authority
21 or transportation authority receives from a dedicated sales tax or
22 the operation of any other advanced rapid transit or bus system or
23 related services.

24 (d) Bonds or other obligations issued by a county under this
25 section or by a transit authority or transportation authority under
26 a contract or interlocal agreement may mature serially or otherwise
27 not more than 30 years after the date of issuance.

1 (e) Any bonds or other obligations issued by a county or by a
2 transit authority or transportation authority under this section,
3 and the proceedings authorizing the bonds or other obligations,
4 must be submitted to the attorney general for review and approval
5 under Chapter 1202, Government Code.

6 (f) A county may not:

7 (1) use money in the fund to finance the construction
8 of a mobility improvement project not permitted by the constitution
9 of this state or not approved by the voters in an election under
10 this chapter; or

11 (2) use funds approved for a particular mobility
12 improvement project to fund a different project.

13 SUBCHAPTER E. TRANSIT AND TRANSPORTATION AUTHORITIES

14 Sec. 616.201. TRANSIT AUTHORITY OR TRANSPORTATION
15 AUTHORITY SERVICES NOT AUTHORIZED. (a) A county acting under this
16 chapter may not directly operate or provide advanced rapid transit
17 services or any service expressly reserved by a transit authority
18 or a transportation authority that serves the county.

19 (b) This chapter does not authorize the creation of a
20 transit authority or a transportation authority.

21 SECTION 2. Subchapter C, Chapter 791, Government Code, is
22 amended by adding Section 791.038 to read as follows:

23 Sec. 791.038. CONTRACTS RELATED TO COUNTY MOTOR FUELS
24 TAXES. (a) The comptroller may enter into an interlocal contract
25 with one or more local governments or political subdivisions to
26 collect, administer, and enforce a county motor fuels tax enacted
27 under Chapter 616, Local Government Code, and any other related

1 law.

2 (b) This section expires January 1, 2022.

3 SECTION 3. Section 162.001, Tax Code, is amended by adding
4 Subdivisions (16-a), (16-b), (56-a), (56-b), and (57-a) to read as
5 follows:

6 (16-a) "County diesel fuel tax" means the tax imposed
7 by Section 162.2011 or 162.2035.

8 (16-b) "County gasoline tax" means the tax imposed by
9 Section 162.1011 or 162.1035.

10 (56-a) "State diesel fuel tax" means the tax imposed
11 by Section 162.201 or 162.203.

12 (56-b) "State gasoline tax" means the tax imposed by
13 Section 162.101 or 162.103.

14 (57-a) "Taxing county" means a destination county that
15 has adopted the tax on motor vehicle fuel authorized by Chapter 616,
16 Local Government Code.

17 SECTION 4. Sections 162.004(e) and (g), Tax Code, are
18 amended to read as follows:

19 (e) A person to whom a shipping document was issued shall:

20 (1) carry the shipping document in the barge, vessel,
21 railroad tank car, or other transport vehicle for which the
22 document was issued when transporting the motor fuel described in
23 the document;

24 (2) show the shipping document on request to any law
25 enforcement officer, representative of the comptroller, or other
26 authorized individual, when transporting the motor fuel described;

27 (3) deliver the motor fuel to the destination state

1 printed on the shipping document unless the person:

2 (A) notifies the comptroller and the destination
3 state, if a diversion program is in place, before transporting the
4 motor fuel into a state other than the printed destination state,
5 that the person has received instructions after the shipping
6 document was issued to deliver the motor fuel to a different
7 destination state;

8 (B) receives from the comptroller and
9 destination state, if a diversion program is in place, a diversion
10 number authorizing the diversion; and

11 (C) writes on the shipping document the change in
12 destination state and the diversion number; ~~and~~

13 (4) if delivering the motor fuel into a county in this
14 state, denote on the shipping document the county to which the motor
15 fuel will be delivered or, in the case of a split load, each county
16 in which a portion of the motor fuel will be delivered; and

17 (5) give a copy of the shipping document to the person
18 to whom the motor fuel is delivered.

19 (g) The person to whom motor fuel is delivered by barge,
20 vessel, railroad tank car, or transport vehicle may not accept
21 delivery of the motor fuel if the destination state shown on the
22 shipping document for the motor fuel is a state other than this
23 state, except that the person may accept the ~~that~~ delivery if the
24 document contains a diversion number authorized by the comptroller
25 and destination state, if applicable, and has received a properly
26 completed shipping document listing the county in this state in
27 which the person accepts delivery. The person to whom the motor

1 fuel is delivered shall examine the shipping document to determine
2 that the destination state is this state and the county in this
3 state is the county in which the person accepts delivery, and shall
4 retain a copy of the shipping document at the delivery location or
5 another place until the fourth anniversary of the date of delivery.

6 SECTION 5. Section 162.005(e), Tax Code, is amended to read
7 as follows:

8 (e) The comptroller may revoke a license if the license
9 holder:

10 (1) purchases for export motor fuel on which the tax
11 was not paid under this chapter and subsequently diverts or causes
12 the motor fuel to be diverted to a destination in this state or to
13 any destination other than the originally designated state or
14 country without first obtaining a diversion number; or

15 (2) delivers motor fuel on which the county gasoline
16 tax or county diesel fuel tax is due without issuing a properly
17 completed shipping document listing the taxing county in which the
18 delivery occurred.

19 SECTION 6. Section 162.006(a), Tax Code, is amended to read
20 as follows:

21 (a) The comptroller may suspend a person's license without
22 notice or a hearing for the person's failure to comply with this
23 chapter or a rule adopted under this chapter or Chapter 616, Local
24 Government Code, if the person's continued operation constitutes an
25 immediate and substantial threat to the collection of taxes imposed
26 by this chapter and attributable to the person's operation.

27 SECTION 7. Section 162.012, Tax Code, is amended to read as

1 follows:

2 Sec. 162.012. PRESUMPTIONS. (a) A person licensed under
3 this chapter or required to be licensed under this chapter, or other
4 user, who fails to keep a record, issue an invoice, or file a return
5 or report required by this chapter is presumed to have sold or used
6 for taxable purposes all motor fuel shown by an audit by the
7 comptroller to have been sold to the license holder or other
8 user. Motor fuel unaccounted for is presumed to have been sold or
9 used for taxable purposes.

10 (b) If an exporter claims an exemption under Section
11 162.104(a)(4) or 162.204(a)(4) and fails to report subsequent
12 tax-free sales in this state of the motor fuel for which the
13 exemption was claimed as required by Section 162.1155 or 162.2165,
14 or to produce proof of payment of tax to the destination state or
15 proof that the transaction was exempt in the destination state, the
16 exporter is presumed to have not paid the destination state's tax or
17 this state's tax on the motor fuel and the comptroller shall assess
18 the tax imposed by this chapter on the motor fuel against the
19 exporter.

20 (c) If a person claims an exemption from the county motor
21 fuels tax and fails to produce proof of delivery to a nontaxing
22 county, the person is presumed to have delivered the motor fuel to a
23 taxing county that imposes the tax on motor vehicle fuels
24 authorized by Chapter 616, Local Government Code.

25 (d) The comptroller may fix or establish the amount of
26 taxes, penalties, and interest due this state from the records of
27 deliveries or from any records or information available. If a tax

1 claim, as developed from this procedure, is not paid, after the
2 opportunity to request a redetermination, the claim and any audit
3 made by the comptroller or any report filed by the license holder or
4 other user is evidence in any suit or judicial proceedings filed by
5 the attorney general and is prima facie evidence of the correctness
6 of the claim or audit. A prima facie presumption of the
7 correctness of the claim may be overcome at the trial by evidence
8 adduced by the license holder or other user.

9 (e) [~~(b)~~] In the absence of records showing the number of
10 miles actually operated per gallon of motor fuel consumed, it is
11 presumed that not less than one gallon of motor fuel was consumed
12 for every four miles traveled. An interstate trucker may produce
13 evidence of motor fuel consumption to establish another mileage
14 factor. If an examination or audit made by the comptroller from the
15 records of an interstate trucker shows that a greater amount of
16 motor fuel was consumed than was reported by the interstate trucker
17 for tax purposes, the interstate trucker is liable for the tax,
18 penalties, and interest on the additional amount shown or the
19 trucker is entitled to a credit or refund on overpayments of tax
20 established by the audit.

21 SECTION 8. Section 162.015, Tax Code, is amended to read as
22 follows:

23 Sec. 162.015. ADDITIONAL TAX APPLIES TO INVENTORIES. (a)
24 On the effective date of an increase in the rate [~~rates~~] of a tax
25 [~~the taxes~~] imposed by this chapter, a distributor or dealer that
26 possesses for the purpose of sale 2,000 or more gallons of gasoline
27 or diesel fuel at each business location on which a tax [~~the taxes~~]

1 imposed by this chapter at a previous rate has [~~have~~] been paid
2 shall report to the comptroller the volume of that gasoline and
3 diesel fuel, and at the time of the report shall pay a tax on that
4 gasoline and diesel fuel at a rate equal to the rate of the tax
5 increase.

6 (b) On the effective date of a reduction of the rate [~~rates~~]
7 of a tax [~~taxes~~] imposed by this chapter, a distributor or dealer
8 that possesses for the purpose of sale 2,000 or more gallons of
9 gasoline or diesel fuel at each business location on which a tax
10 [~~the taxes~~] imposed by this chapter at the previous rate has [~~have~~]
11 been paid becomes entitled to a refund in an amount equal to the
12 difference in the amount of the tax [~~taxes~~] paid on that gasoline or
13 diesel fuel at the previous rate and at the rate in effect on the
14 effective date of the reduction in the tax rate [~~rates~~]. The rules
15 of the comptroller shall provide for the method of claiming a refund
16 under this chapter and may require that the refund for the dealer be
17 paid through the distributor or supplier from whom the dealer
18 received the fuel.

19 SECTION 9. Section [162.016](#), Tax Code, is amended by
20 amending Subsection (a) and adding Subsection (g-1) to read as
21 follows:

22 (a) A person may not import motor fuel to a destination in
23 this state or export motor fuel to a destination outside this state
24 by any means unless the person possesses a shipping document for
25 that fuel. The shipping document must include:

26 (1) the name and physical address of the terminal or
27 bulk plant from which the motor fuel was received for import or

1 export;

2 (2) the name of the carrier transporting the motor
3 fuel;

4 (3) the date the motor fuel was loaded;

5 (4) the type of motor fuel;

6 (5) the number of gallons:

7 (A) in temperature-adjusted gallons if purchased
8 from a terminal for export or import; or

9 (B) in temperature-adjusted gallons or in gross
10 gallons if purchased from a bulk plant;

11 (6) the destination state and, if the destination
12 state is this state, the county in this state to which the gasoline
13 or diesel fuel will be delivered [~~of the motor fuel~~] as represented
14 by the purchaser of the motor fuel and the number of gallons of the
15 fuel to be delivered, if delivery is to only one state;

16 (7) the name and physical address of the purchaser of
17 the motor fuel;

18 (8) the name of the person responsible for paying the
19 tax imposed by this chapter, as given to the terminal by the
20 purchaser if different from the licensed supplier or distributor;

21 (9) the destination state of each portion of a split
22 load of motor fuel if the motor fuel is to be delivered to more than
23 one state and, if a destination state is this state, the county in
24 this state to which the gasoline or diesel fuel will be delivered;

25 and

26 (10) any other information that, in the opinion of the
27 comptroller, is necessary for the proper administration of this

1 chapter.

2 (g-1) An importer or exporter who wants to deliver a single
3 cargo tank of motor fuel to a county in this state must issue a
4 properly completed shipping document denoting the county to which
5 the motor fuel will be delivered or, in the case of a split load,
6 each county to which a portion of the motor fuel will be delivered.

7 SECTION 10. The heading to Section 162.101, Tax Code, is
8 amended to read as follows:

9 Sec. 162.101. POINT OF IMPOSITION OF STATE GASOLINE TAX.

10 SECTION 11. Sections 162.101(a), (b), (c), and (f), Tax
11 Code, are amended to read as follows:

12 (a) A tax is imposed on the removal of gasoline from the
13 terminal using the terminal rack, other than by bulk transfer. The
14 supplier or permissive supplier is liable for and shall collect the
15 tax imposed by this section [~~subchapter~~] from the person who orders
16 the withdrawal at the terminal rack.

17 (b) A tax is imposed at the time gasoline is imported into
18 this state, other than by a bulk transfer, for delivery to a
19 destination in this state. The supplier or permissive supplier is
20 liable for and shall collect the tax imposed by this section
21 [~~subchapter~~] from the person who imports the gasoline into this
22 state. If the seller is not a supplier or permissive supplier,
23 then the person who imports the gasoline into this state is liable
24 for and shall pay the tax.

25 (c) A tax is imposed on the removal of gasoline from the bulk
26 transfer/terminal system in this state. The supplier is liable for
27 and shall collect the tax imposed by this section [~~subchapter~~] from

1 the person who orders the removal from the bulk transfer terminal
2 system.

3 (f) A terminal operator in this state is considered a
4 supplier for the purpose of the tax imposed by [~~under~~] this section
5 [~~subchapter~~] unless at the time of removal:

6 (1) the terminal operator has a terminal operator's
7 license issued for the facility from which the gasoline is
8 withdrawn;

9 (2) the terminal operator verifies that the person who
10 removes the gasoline has a supplier's license; and

11 (3) the terminal operator does not have a reason to
12 believe that the supplier's license is not valid.

13 SECTION 12. Subchapter B, Chapter 162, Tax Code, is amended
14 by adding Section 162.1011 to read as follows:

15 Sec. 162.1011. IMPOSITION OF COUNTY GASOLINE TAX; POINT OF
16 COLLECTION. (a) In a county that imposes the tax on motor vehicle
17 fuels authorized by Chapter 616, Local Government Code, a tax is
18 imposed on the delivery of gasoline into the taxing county.

19 (b) A tax is imposed on gasoline that is otherwise exempt
20 from taxation under Section 162.104(a)(4) or (7) if the gasoline is
21 sold in this state to a person who does not hold a license under
22 Section 162.105(1), (2), (3), (4), or (6) and the gasoline is
23 subsequently delivered into a taxing county. The person who
24 delivered the gasoline into the taxing county is liable for and
25 shall collect the tax.

26 (c) A tax is imposed on gasoline that is otherwise exempt
27 from taxation under Section 162.104(a)(4) or (7) if before export

1 the gasoline is sold in this state to a person who holds a license
2 under Section 162.105(1), (2), (3), (4), or (6) and the gasoline is
3 delivered into a taxing county. The person who delivered the
4 gasoline into the taxing county is liable for and shall pay the tax.

5 (d) The distributor shall collect the tax imposed by this
6 section from each person on delivery of gasoline into a taxing
7 county.

8 (e) In each subsequent sale of gasoline on which the tax has
9 been paid, the tax imposed by this section shall be collected from
10 the purchaser so that the tax is paid ultimately by the person who
11 uses the gasoline. Gasoline is considered to be used when it is
12 delivered into a fuel supply tank.

13 SECTION 13. Section 162.102, Tax Code, is amended to read as
14 follows:

15 Sec. 162.102. TAX RATES [~~RATE~~]. (a) The state gasoline tax
16 rate is 20 cents for each net gallon or fractional part of a net
17 gallon on which the tax is imposed under Section 162.101.

18 (b) In a taxing county, the county gasoline tax rate for
19 each net gallon or fractional part of a net gallon is the rate
20 established by Chapter 616, Local Government Code.

21 SECTION 14. The heading to Section 162.1025, Tax Code, is
22 amended to read as follows:

23 Sec. 162.1025. SEPARATE STATEMENT OF TAXES [~~TAX~~] COLLECTED
24 FROM PURCHASER.

25 SECTION 15. Sections 162.1025(a), (b), and (c), Tax Code,
26 are amended to read as follows:

27 (a) In each subsequent sale of gasoline on which the taxes

1 imposed by this subchapter have [~~tax has~~] been paid, the taxes [~~tax~~
2 ~~imposed by this subchapter~~] shall be collected from the purchaser
3 so that the taxes are [~~tax is~~] paid ultimately by the person who
4 uses the gasoline. Gasoline is considered to be used when it is
5 delivered into a fuel supply tank.

6 (b) The taxes [~~tax~~] imposed by this subchapter must be
7 stated separately from the sales price of gasoline and identified
8 as gasoline taxes [~~tax~~] on the invoice or receipt issued to a
9 purchaser. Backup gasoline taxes [~~tax~~] may be identified as
10 gasoline taxes [~~tax~~]. The taxes [~~tax~~] must be separately stated and
11 identified in the same manner on a shipping document, if the
12 shipping document includes the sales price of the gasoline.

13 (c) Except as provided by Subsection (d), the sales price of
14 gasoline stated on an invoice, receipt, or shipping document is
15 presumed to be exclusive of the taxes [~~tax~~] imposed by this
16 subchapter. The seller or purchaser may overcome the presumption
17 by using the seller's records to show that the taxes [~~tax~~] imposed
18 by this subchapter were [~~was~~] included in the sales price.

19 SECTION 16. The heading to Section [162.103](#), Tax Code, is
20 amended to read as follows:

21 Sec. 162.103. BACKUP STATE GASOLINE TAX; LIABILITY.

22 SECTION 17. Sections [162.103](#)(a) and (c), Tax Code, are
23 amended to read as follows:

24 (a) A backup tax is imposed at the rate prescribed by
25 Section [162.102](#)(a) [~~162.102~~] on:

26 (1) a person who obtains a refund of tax on gasoline by
27 claiming the gasoline was used for an off-highway purpose, but

1 actually uses the gasoline to operate a motor vehicle on a public
2 highway;

3 (2) a person who operates a motor vehicle on a public
4 highway using gasoline on which tax has not been paid;

5 (3) a person who sells to the ultimate consumer
6 gasoline on which tax has not been paid and who knew or had reason to
7 know that the gasoline would be used for a taxable purpose; and

8 (4) a person, other than a person exempted under
9 Section 162.104, who acquires gasoline on which tax has not been
10 paid from any source in this state.

11 (c) The tax imposed by [~~under~~] Subsection (a)(3) is also
12 imposed on the ultimate consumer.

13 SECTION 18. Subchapter B, Chapter 162, Tax Code, is amended
14 by adding Section 162.1035 to read as follows:

15 Sec. 162.1035. BACKUP COUNTY GASOLINE TAX; LIABILITY. (a)
16 A backup tax is imposed at the rate prescribed by Section 162.102(b)
17 on:

18 (1) a person who, in a taxing county:
19 (A) delivers gasoline into the fuel supply tank
20 of a motor vehicle;

21 (B) purchases or receives gasoline from another
22 person; or

23 (C) sells or delivers gasoline to another person;
24 and

25 (2) a person who obtains a refund of the tax imposed by
26 Section 162.1011 for gasoline that the person delivered into the
27 fuel supply tank of a motor vehicle, purchased or acquired, or sold

1 or delivered in a taxing county.

2 (b) A person who sells gasoline subject to the tax imposed
3 by this section shall at the time of sale collect the tax from the
4 purchaser or recipient of the gasoline in addition to the selling
5 price and is liable to this state for the taxes collected at the
6 time and in the manner provided by this chapter.

7 (c) The following are exempt from the tax imposed by this
8 section:

9 (1) gasoline on which the tax imposed by Section
10 162.1011 has been paid; and

11 (2) gasoline exempt under Section 162.104.

12 (d) The tax imposed by this section is in addition to any
13 penalty imposed under this chapter.

14 SECTION 19. Section 162.104(a), Tax Code, is amended to
15 read as follows:

16 (a) The taxes [~~tax~~] imposed by this subchapter do [~~does~~] not
17 apply to gasoline:

18 (1) sold to the United States for its exclusive use,
19 provided that the exemption does not apply with respect to fuel sold
20 or delivered to a person operating under a contract with the United
21 States;

22 (2) sold to a public school district in this state for
23 the district's exclusive use;

24 (3) sold to a commercial transportation company or a
25 metropolitan rapid transit authority operating under Chapter 451,
26 Transportation Code, that provides public school transportation
27 services to a school district under Section 34.008, Education Code,

1 and that uses the gasoline only to provide those services;

2 (4) exported by either a licensed supplier or a
3 licensed exporter from this state to any other state, provided that
4 the bill of lading indicates the destination state and the supplier
5 collects the destination state tax;

6 (5) moved by truck or railcar between licensed
7 suppliers or licensed permissive suppliers and in which the
8 gasoline removed from the first terminal comes to rest in the second
9 terminal, provided that the removal from the second terminal rack
10 is subject to the state gasoline tax imposed by this subchapter;

11 (6) delivered or sold into a storage facility of a
12 licensed aviation fuel dealer from which gasoline will be delivered
13 solely into the fuel supply tanks of aircraft or aircraft servicing
14 equipment, or sold from one licensed aviation fuel dealer to
15 another licensed aviation fuel dealer who will deliver the aviation
16 fuel exclusively into the fuel supply tanks of aircraft or aircraft
17 servicing equipment;

18 (7) exported to a foreign country if the bill of lading
19 indicates the foreign destination and the fuel is actually exported
20 to the foreign country;

21 (8) sold to a volunteer fire department in this state
22 for the department's exclusive use; or

23 (9) sold to a nonprofit entity that is organized for
24 the sole purpose of and engages exclusively in providing emergency
25 medical services and that uses the gasoline exclusively to provide
26 emergency medical services, including rescue and ambulance
27 services.

1 SECTION 20. Section 162.105, Tax Code, is amended to read as
2 follows:

3 Sec. 162.105. PERSONS REQUIRED TO BE LICENSED. A person
4 shall obtain the appropriate license or licenses issued by the
5 comptroller before conducting the activities of:

6 (1) a supplier, who may also act as a distributor,
7 importer, exporter, blender, motor fuel transporter, dealer, or
8 aviation fuel dealer without securing a separate license, but who
9 is subject to all other conditions, requirements, and liabilities
10 imposed on those license holders;

11 (2) a permissive supplier, who may also act as a
12 distributor, importer, exporter, blender, motor fuel transporter,
13 dealer, or aviation fuel dealer without securing a separate
14 license, but who is subject to all other conditions, requirements,
15 and liabilities imposed on those license holders;

16 (3) a distributor, who may also act as an importer,
17 exporter, blender, [~~or~~] motor fuel transporter, or dealer without
18 securing a separate license, but who is subject to all other
19 conditions, requirements, and liabilities imposed on those license
20 holders;

21 (4) an importer, who may also act as an exporter,
22 blender, [~~or~~] motor fuel transporter, or dealer without securing a
23 separate license, but who is subject to all other conditions,
24 requirements, and liabilities imposed on those license holders;

25 (5) a terminal operator;

26 (6) an exporter;

27 (7) a blender;

- 1 (8) a motor fuel transporter;
- 2 (9) an aviation fuel dealer; [~~or~~]
- 3 (10) an interstate trucker; or
- 4 (11) a dealer.

5 SECTION 21. Sections 162.107(a) and (b), Tax Code, are
6 amended to read as follows:

7 (a) A person may elect to obtain a permissive supplier
8 license to collect the state gasoline tax imposed by [~~under~~] this
9 subchapter for gasoline that is removed at a terminal in another
10 state and has this state as the destination state.

11 (b) With respect to gasoline that is removed by the licensed
12 permissive supplier at a terminal located in another state and that
13 has this state as the destination state, a licensed permissive
14 supplier shall:

15 (1) collect the state gasoline tax due to this state on
16 the gasoline;

17 (2) waive any defense that this state lacks
18 jurisdiction to require the supplier to collect the state gasoline
19 tax due to this state on the gasoline under this subchapter;

20 (3) report and pay the state gasoline tax and the
21 county gasoline tax due on the gasoline in the same manner as if the
22 removal had occurred at a terminal located in this state;

23 (4) keep records of the removal of the gasoline and
24 submit to audits concerning the gasoline as if the removal had
25 occurred at a terminal located in this state; and

26 (5) report sales by the permissive supplier to a
27 person who is not licensed in this state.

1 SECTION 22. Section 162.108, Tax Code, is amended by adding
2 Subsection (a-1) to read as follows:

3 (a-1) In addition to the information required by Subsection
4 (a), an applicant for a license as a dealer must list on the
5 application:

6 (1) the street address, city, county, and zip code of
7 the location for which the applicant seeks a license to sell or
8 dispense motor fuel at retail;

9 (2) the applicant's social security number, driver's
10 license number, and federal employer identification number if the
11 applicant is a natural person who is not licensed as a supplier,
12 permissive supplier, or terminal operator; and

13 (3) if the applicant is a corporation, limited
14 liability company, professional association, partnership, or other
15 entity that is not licensed as a supplier, permissive supplier, or
16 terminal operator and is not wholly owned by an entity that is
17 licensed as a supplier, permissive supplier, or terminal operator,
18 the physical address, mailing address, social security number, and
19 driver's license number of:

20 (A) each natural person responsible for the
21 purchase of motor fuel for sale by the applicant; and

22 (B) each officer, director, manager, member,
23 shareholder, and partner of the applicant.

24 SECTION 23. Section 162.110(a), Tax Code, is amended to
25 read as follows:

26 (a) The license issued to a supplier, permissive supplier,
27 distributor, importer, exporter, terminal operator, blender, [~~or~~]

1 motor fuel transporter, or dealer is permanent and is valid during
2 the period the license holder has in force and effect the required
3 bond or security and furnishes timely reports and supplements as
4 required, or until the license is surrendered by the holder or
5 canceled by the comptroller. The comptroller shall cancel a
6 license under this subsection if a purchase, sale, or use of
7 gasoline has not been reported by the license holder during the
8 previous nine months.

9 SECTION 24. Section 162.111(a), Tax Code, is amended to
10 read as follows:

11 (a) The comptroller shall determine the amount of security
12 required of a supplier, permissive supplier, distributor,
13 exporter, importer, dealer, or blender, taking into consideration
14 the amount of tax that has or is expected to become due from the
15 person, any past history of the person as a license holder under
16 this chapter or its predecessor, and the necessity to protect this
17 state against the failure to pay the tax as the tax becomes due.

18 SECTION 25. Sections 162.112(a) and (b), Tax Code, are
19 amended to read as follows:

20 (a) The comptroller, on or before December 20 of each year,
21 shall make available to all license holders an alphabetical list of
22 licensed suppliers, permissive suppliers, distributors, aviation
23 fuel dealers, importers, exporters, blenders, dealers, and
24 terminal operators. A supplemental list of additions and deletions
25 shall be made available to the license holders each month. A
26 current and effective license or the list furnished by the
27 comptroller is evidence of the validity of the license until the

1 comptroller notifies license holders of a change in the status of a
2 license holder.

3 (b) A licensed supplier, permissive supplier, dealer, or
4 distributor who sells gasoline tax-free to a person whose
5 supplier's, permissive supplier's, dealer's, or aviation fuel
6 dealer's license has been canceled or revoked under this chapter is
7 liable for any tax due on gasoline sold after receiving notice of
8 the cancellation or revocation.

9 SECTION 26. Sections 162.113(d), (d-1), and (e), Tax Code,
10 are amended to read as follows:

11 (d) The supplier or permissive supplier, after requesting a
12 credit under this section, shall terminate the ability of the
13 licensed distributor or licensed importer to defer the payment of
14 state gasoline tax. The supplier or permissive supplier may not
15 reinstate the right of the licensed distributor or licensed
16 importer to defer the payment of state gasoline tax until the first
17 anniversary of the date the supplier or permissive supplier
18 requested the credit, subject to Subsection (d-1).

19 (d-1) A supplier or permissive supplier may reinstate the
20 right of a licensed distributor or licensed importer to defer the
21 payment of state gasoline tax before the date prescribed by
22 Subsection (d) if the comptroller determines that:

23 (1) the supplier or permissive supplier erroneously
24 requested the credit that resulted in the termination of the
25 licensed distributor's or licensed importer's right to defer
26 payment; or

27 (2) the licensed distributor or licensed importer

1 failed to pay state gasoline taxes due because of circumstances
2 that may have been outside the distributor's or importer's control.

3 (e) A licensed distributor or licensed importer who makes
4 timely payments of the state gasoline tax imposed by [~~under~~] this
5 subchapter is entitled to retain an amount equal to 1.75 percent of
6 the total state gasoline tax [~~taxes~~] to be paid to the supplier or
7 permissive supplier to cover administrative expenses.

8 SECTION 27. Section 162.114(a), Tax Code, is amended to
9 read as follows:

10 (a) Except as provided by Subsection (b), each person who is
11 liable for the taxes [~~tax~~] imposed by this subchapter, a terminal
12 operator, a dealer, and a licensed distributor shall file a return
13 on or before the 25th day of the month following the end of each
14 calendar month.

15 SECTION 28. Sections 162.115(b), (c), (e), (g), and (h),
16 Tax Code, are amended to read as follows:

17 (b) A distributor shall keep:

18 (1) a record showing the number of gallons of:

19 (A) all gasoline inventories on hand at the first
20 of each month;

21 (B) all gasoline blended;

22 (C) all gasoline purchased or received, showing
23 the name of the seller and the date of each purchase or receipt;

24 (D) all gasoline sold, distributed, or used,
25 showing:

26 (i) the name of the purchaser;

27 (ii) the county in this state to which the

1 gasoline was delivered;

2 (iii) the amount of county gasoline tax
3 collected from the purchaser; and

4 (iv) the date of the sale, distribution, or
5 use; and

6 (E) all gasoline lost by fire, theft, or
7 accident;

8 (2) an itemized statement showing by load the number
9 of gallons of all gasoline:

10 (A) received during the preceding calendar month
11 for export and the location of the loading;

12 (B) sold, distributed, or used, showing:

13 (i) the name of the purchaser;

14 (ii) the county or counties in this state;

15 (iii) the amount of county gasoline tax
16 collected from the purchaser; and

17 (iv) the date of the sale, distribution, or
18 use;

19 (C) exported from this state by destination state
20 or country; and

21 (D) [~~C~~] imported during the preceding calendar
22 month by state or country of origin; [~~and~~]

23 (3) for gasoline exported from this state, proof of
24 payment of tax to the destination state in a form acceptable to the
25 comptroller; and

26 (4) all shipping documents.

27 (c) An importer shall keep:

1 (1) a record showing the number of gallons of:

2 (A) all gasoline inventories on hand at the first
3 of each month;

4 (B) all gasoline compounded or blended;

5 (C) all gasoline purchased or received, showing
6 the name of the seller and the date of each purchase or receipt;

7 (D) all gasoline sold, distributed, or used,
8 showing the name of the purchaser, the county in this state, and the
9 date of the sale, distribution, or use; and

10 (E) all gasoline lost by fire, theft, or
11 accident; and

12 (2) an itemized statement showing by load the number
13 of gallons of all gasoline:

14 (A) received during the preceding calendar month
15 for export and the location of the loading;

16 (B) sold, distributed, or used, showing the name
17 of the purchaser, the county or counties in this state, and the date
18 of the sale, distribution, or use;

19 (C) exported from this state by destination state
20 or country; and

21 (D) [~~(C)~~] imported during the preceding calendar
22 month by state or country of origin.

23 (e) A blender shall keep a record showing the number of
24 gallons of:

25 (1) all gasoline inventories on hand at the first of
26 each month;

27 (2) all gasoline compounded or blended;

1 (3) all gasoline purchased or received, showing the
2 name of the seller and the date of each purchase or receipt;

3 (4) all gasoline sold, distributed, or used, showing
4 the name of the purchaser, the county in this state, and the date of
5 the sale or use; and

6 (5) all gasoline lost by fire, theft, or accident.

7 (g) A motor fuel transporter shall keep a complete and
8 separate record of each intrastate and interstate transportation of
9 gasoline, showing:

10 (1) the date of transportation;

11 (2) the name of the consignor and consignee;

12 (3) the means of transportation;

13 (4) the quantity and kind of gasoline transported;

14 (5) full data concerning the diversion of shipments,
15 including the county in this state and the number of gallons
16 diverted from interstate to intrastate and intrastate to interstate
17 commerce; and

18 (6) the points of origin and destination, the county
19 in this state, the number of gallons shipped or transported, the
20 date, the consignee and the consignor, and the kind of gasoline that
21 has been diverted.

22 (h) A dealer shall keep a record showing the number of
23 gallons of:

24 (1) gasoline inventories on hand at the first of each
25 month;

26 (2) all gasoline purchased or received, showing the
27 name of the seller and the date of each purchase or receipt;

1 (3) all gasoline sold or used, showing the date of the
2 sale or use; ~~and~~

3 (4) all gasoline lost by fire, theft, or accident; and

4 (5) the shipping documents.

5 SECTION 29. Section 162.116(c), Tax Code, is amended to
6 read as follows:

7 (c) A supplier or permissive supplier may take a credit for
8 any state gasoline tax ~~taxes~~ that was ~~were~~ not remitted in a
9 previous period to the supplier or permissive supplier by a
10 licensed distributor or licensed importer as required by Section
11 162.113. The supplier or permissive supplier is eligible to take
12 the credit if the comptroller is notified of the default within 15
13 days after the default occurs. If a license holder pays to a
14 supplier or permissive supplier the tax owed, but the payment
15 occurs after the supplier or permissive supplier has taken a credit
16 on its return, the supplier or permissive supplier shall remit the
17 payment to the comptroller with the next monthly return after
18 receipt of the tax, plus a penalty of 10 percent of the amount of
19 unpaid taxes and interest at the rate provided by Section 111.060
20 beginning on the date the credit was taken.

21 SECTION 30. Section 162.118, Tax Code, is amended to read as
22 follows:

23 Sec. 162.118. INFORMATION REQUIRED ON DISTRIBUTOR'S
24 RETURN; PAYMENT OF TAXES AND ALLOWANCES. (a) The monthly return
25 and supplements of each distributor shall contain for the period
26 covered by the return:

27 (1) the number of net gallons of gasoline received by

1 the distributor during the month, sorted by product code, seller,
2 point of origin, destination state, carrier, and receipt date;

3 (2) the number of net gallons of gasoline removed at a
4 terminal rack by the distributor during the month, sorted by
5 product code, seller, terminal code, and carrier;

6 (3) the number of net gallons of gasoline removed by
7 the distributor during the month for export, sorted by product
8 code, terminal code, bulk plant address, destination state, and
9 carrier;

10 (4) the number of net gallons of gasoline removed by
11 the distributor during the month from a terminal located in another
12 state for conveyance to this state, as indicated on the shipping
13 document for the gasoline, sorted by product code, seller, terminal
14 code, bulk plant address, and carrier;

15 (5) the number of net gallons of gasoline the
16 distributor sold during the month in transactions exempt under
17 Section 162.104, sorted by product code and purchaser; ~~and~~

18 (6) the number of net gallons delivered into a taxing
19 county sorted by taxing county and purchaser; and

20 (7) any other information required by the comptroller.

21 (b) A distributor or importer who makes timely payments of
22 the county tax imposed by this subchapter is entitled to retain an
23 amount equal to two percent of the total county gasoline taxes
24 remitted to the comptroller to cover administrative expenses.

25 SECTION 31. Section 162.123, Tax Code, is amended to read as
26 follows:

27 Sec. 162.123. INFORMATION REQUIRED ON BLENDER'S RETURN.

1 The monthly return and supplements of each blender shall contain
2 for the period covered by the return:

3 (1) the number of net gallons of gasoline received by
4 the blender during the month, sorted by product code, seller, point
5 of origin, carrier, and receipt date;

6 (2) the number of net gallons of product blended with
7 gasoline during the month, sorted by product code, type of blending
8 agent if no product code exists, seller, and carrier;

9 (3) the number of net gallons of blended gasoline sold
10 during the month and the license number or name, ~~and~~ address, and
11 county in this state of the entity receiving the blended gasoline;
12 and

13 (4) any other information required by the comptroller.

14 SECTION 32. Subchapter B, Chapter 162, Tax Code, is amended
15 by adding Section 162.1235 to read as follows:

16 Sec. 162.1235. INFORMATION REQUIRED ON DEALER'S RETURN.

17 The monthly return and supplements of each dealer shall contain for
18 the period covered by the return:

19 (1) the number of gallons of gasoline inventories on
20 hand at the first of each month, sorted by product code;

21 (2) the number of gallons of gasoline received by the
22 dealer during the month, sorted by seller;

23 (3) the number of gallons of gasoline inventories on
24 hand at the end of each month; and

25 (4) any other information required by the comptroller.

26 SECTION 33. Sections 162.125(g-1) and (g-2), Tax Code, are
27 amended to read as follows:

1 (g-1) A volunteer fire department exempt from the taxes
2 [~~tax~~] imposed under this subchapter that paid a tax on the purchase
3 of gasoline is entitled to a refund of the tax paid, and the
4 volunteer fire department may file a refund claim with the
5 comptroller for that amount.

6 (g-2) A nonprofit entity exempted under Section
7 162.104(a)(9) from the taxes [~~tax~~] imposed under this subchapter
8 that paid a tax on the purchase of gasoline is entitled to a refund
9 of the tax paid, and the entity may file a refund claim with the
10 comptroller for that amount.

11 SECTION 34. Sections 162.127(a) and (d), Tax Code, are
12 amended to read as follows:

13 (a) A refund claim must be filed on a form provided by the
14 comptroller, be supported by the original invoice issued by the
15 seller, and contain:

16 (1) the stamped or preprinted name and address,
17 including county in this state, of the seller;

18 (2) the name and address of the purchaser;

19 (3) the date of delivery of the gasoline;

20 (4) the date of the issuance of the invoice, if
21 different from the date of fuel delivery;

22 (5) the number of gallons of gasoline delivered;

23 (6) the amount of state or county gasoline taxes paid
24 [~~tax~~], either separately stated from the selling price or stated
25 with a notation that both state and county taxes are included if
26 both apply [~~the selling price includes the tax~~]; and

27 (7) the type of vehicle or equipment, such as a

1 motorboat, railway engine, motor vehicle, off-highway vehicle, or
2 refrigeration unit or stationary engine, into which the fuel is
3 delivered.

4 (d) A distributor or person who does not hold a license who
5 files a valid refund claim with the comptroller shall be paid by a
6 warrant issued by the comptroller. For purposes of this section, a
7 distributor meets the requirement of filing a valid refund claim
8 for state and county gasoline taxes if the distributor designates
9 the gallons of gasoline sold or used that are the subject of the
10 refund claim on the monthly report submitted by the distributor to
11 the comptroller.

12 SECTION 35. The heading to Section 162.201, Tax Code, is
13 amended to read as follows:

14 Sec. 162.201. POINT OF IMPOSITION OF STATE DIESEL FUEL TAX.

15 SECTION 36. Sections 162.201(a), (b), (c), and (f), Tax
16 Code, are amended to read as follows:

17 (a) A tax is imposed on the removal of diesel fuel from the
18 terminal using the terminal rack other than by bulk transfer. The
19 supplier or permissive supplier is liable for and shall collect the
20 tax imposed by this section [~~subchapter~~] from the person who orders
21 the withdrawal at the terminal rack.

22 (b) A tax is imposed at the time diesel fuel is imported into
23 this state, other than by a bulk transfer, for delivery to a
24 destination in this state. The supplier or permissive supplier is
25 liable for and shall collect the tax imposed by this section
26 [~~subchapter~~] from the person who imports the diesel fuel into this
27 state. If the seller is not a supplier or permissive supplier, the

1 person who imports the diesel fuel into this state is liable for and
2 shall pay the tax.

3 (c) A tax is imposed on the removal of diesel fuel from the
4 bulk transfer/terminal system in this state. The supplier is
5 liable for and shall collect the tax imposed by this section
6 [~~subchapter~~] from the person who orders the removal from the bulk
7 transfer/terminal system.

8 (f) The terminal operator in this state is considered a
9 supplier for the purpose of the tax imposed under this section
10 [~~subchapter~~] unless at the time of removal:

11 (1) the terminal operator has a terminal operator's
12 license issued for the facility from which the diesel fuel is
13 withdrawn;

14 (2) the terminal operator verifies that the person who
15 removes the diesel fuel has a supplier's license; and

16 (3) the terminal operator does not have a reason to
17 believe that the supplier's license is not valid.

18 SECTION 37. Subchapter C, Chapter 162, Tax Code, is amended
19 by adding Section 162.2011 to read as follows:

20 Sec. 162.2011. COUNTY DIESEL FUEL TAX IMPOSED; POINT OF
21 COLLECTION. (a) In a county that imposes the tax on motor vehicle
22 fuels authorized by Chapter 616, Local Government Code, a tax is
23 imposed on the delivery of diesel fuel into the taxing county.

24 (b) The distributor shall collect the tax imposed by this
25 section from each person on delivery of diesel fuel into a taxing
26 county.

27 (c) A tax is imposed on diesel fuel that is otherwise exempt

1 from taxation under Section 162.204(a)(4) or (7) if the diesel fuel
2 is sold in this state to a person who does not hold a license under
3 Section 162.205(a)(1), (2), (3), (4), or (6) and the diesel fuel is
4 subsequently delivered into a taxing county. The person who
5 delivered the diesel fuel into the taxing county is liable for and
6 shall collect the tax.

7 (d) A tax is imposed on diesel fuel that is otherwise exempt
8 from taxation under Section 162.204(a)(4) or (7) if before export
9 the diesel fuel is sold in this state to a person who holds a license
10 under Section 162.205(a)(1), (2), (3), (4), or (6) and the diesel
11 fuel is subsequently delivered to a taxing county. The person who
12 delivered the diesel fuel into the taxing county is liable for and
13 shall pay the tax.

14 (e) In each subsequent sale of diesel fuel on which the tax
15 has been paid, the tax imposed by this section shall be collected
16 from the purchaser so that the tax is paid ultimately by the person
17 who uses the diesel fuel. Diesel fuel is considered to be used when
18 it is delivered into a fuel supply tank.

19 SECTION 38. Section 162.202, Tax Code, is amended to read as
20 follows:

21 Sec. 162.202. TAX RATES [~~RATE~~]. (a) The state diesel fuel
22 tax rate is 20 cents for each net gallon or fractional part of a net
23 gallon on which the tax is imposed under Section 162.201.

24 (b) In a taxing county, the county diesel fuel tax rate for
25 each net gallon or fractional part of a net gallon is the rate
26 established by Chapter 616, Local Government Code.

27 SECTION 39. The heading to Section 162.2025, Tax Code, is

1 amended to read as follows:

2 Sec. 162.2025. SEPARATE STATEMENT OF TAXES [~~TAX~~] COLLECTED
3 FROM PURCHASER.

4 SECTION 40. Sections 162.2025(a), (b), and (c), Tax Code,
5 are amended to read as follows:

6 (a) In each subsequent sale of diesel fuel on which the
7 taxes imposed by this subchapter have [~~tax has~~] been paid, the taxes
8 [~~tax imposed by this subchapter~~] shall be collected from the
9 purchaser so that the taxes are [~~tax is~~] paid ultimately by the
10 person who uses the diesel fuel. Diesel fuel is considered to be
11 used when it is delivered into a fuel supply tank.

12 (b) The taxes [~~tax~~] imposed by this subchapter must be
13 stated separately from the sales price of diesel fuel and
14 identified as diesel fuel taxes [~~tax~~] on the invoice or receipt
15 issued to a purchaser. Backup diesel fuel taxes [~~tax~~] may be
16 identified as diesel fuel taxes [~~tax~~]. The taxes [~~tax~~] must be
17 separately stated and identified in the same manner on a shipping
18 document, if the shipping document includes the sales price of the
19 diesel fuel.

20 (c) Except as provided by Subsection (d), the sales price of
21 diesel fuel stated on an invoice, receipt, or shipping document is
22 presumed to be exclusive of the taxes [~~tax~~] imposed by this
23 subchapter. The seller or purchaser may overcome the presumption
24 by using the seller's records to show that the taxes [~~tax~~] imposed
25 by this subchapter were [~~was~~] included in the sales price.

26 SECTION 41. The heading to Section 162.203, Tax Code, is
27 amended to read as follows:

1 Sec. 162.203. BACKUP STATE DIESEL FUEL TAX; LIABILITY.

2 SECTION 42. Sections 162.203(a) and (c), Tax Code, are
3 amended to read as follows:

4 (a) A backup tax is imposed at the rate prescribed by
5 Section 162.202(a) [~~162.202~~] on:

6 (1) a person who obtains a refund of tax on diesel fuel
7 by claiming the diesel fuel was used for an off-highway purpose, but
8 actually uses the diesel fuel to operate a motor vehicle on a public
9 highway;

10 (2) a person who operates a motor vehicle on a public
11 highway using diesel fuel on which tax has not been paid;

12 (3) a person who sells to the ultimate consumer diesel
13 fuel on which a tax has not been paid and who knew or had reason to
14 know that the diesel fuel would be used for a taxable purpose; and

15 (4) a person, other than a person exempted under
16 Section 162.204, who acquires diesel fuel on which tax has not been
17 paid from any source in this state.

18 (c) The tax imposed by [~~under~~] Subsection (a)(3) is also
19 imposed on the ultimate consumer.

20 SECTION 43. Subchapter C, Chapter 162, Tax Code, is amended
21 by adding Section 162.2035 to read as follows:

22 Sec. 162.2035. BACKUP COUNTY DIESEL FUEL TAX; LIABILITY.

23 (a) A backup tax is imposed at the rate prescribed by Section
24 162.202(b) on:

25 (1) a person who, in a taxing county:

26 (A) delivers diesel fuel into the fuel supply
27 tank of a motor vehicle;

1 (B) purchases or receives diesel fuel from
2 another person; or

3 (C) sells or delivers diesel fuel to another
4 person; and

5 (2) a person who obtains a refund of the tax imposed by
6 Section 162.2011 for diesel fuel that the person delivered into the
7 fuel supply tank of a motor vehicle, purchased or acquired, or sold
8 or delivered in a taxing county.

9 (b) A person who sells diesel fuel subject to the tax
10 imposed by this section shall at the time of sale collect the tax
11 from the purchaser or recipient of the diesel fuel in addition to
12 the selling price and is liable to this state for the taxes
13 collected at the time and in the manner provided by this chapter.

14 (c) The following are exempt from the tax imposed by this
15 section:

16 (1) diesel fuel on which the tax imposed by Section
17 162.2011 had been paid; and

18 (2) diesel fuel exempt under Section 162.204.

19 (d) The tax imposed by this section is in addition to any
20 penalty imposed under this chapter.

21 SECTION 44. Sections 162.204(a) and (g), Tax Code, are
22 amended to read as follows:

23 (a) The taxes [~~tax~~] imposed by this subchapter do [~~does~~] not
24 apply to:

25 (1) diesel fuel sold to the United States for its
26 exclusive use, provided that the exemption does not apply to diesel
27 fuel sold or delivered to a person operating under a contract with

1 the United States;

2 (2) diesel fuel sold to a public school district in
3 this state for the district's exclusive use;

4 (3) diesel fuel sold to a commercial transportation
5 company or a metropolitan rapid transit authority operating under
6 Chapter 451, Transportation Code, that provides public school
7 transportation services to a school district under Section 34.008,
8 Education Code, and that uses the diesel fuel only to provide those
9 services;

10 (4) diesel fuel exported by either a licensed supplier
11 or a licensed exporter from this state to any other state, provided
12 that the bill of lading indicates the destination state and the
13 supplier collects the destination state tax;

14 (5) diesel fuel moved by truck or railcar between
15 licensed suppliers or licensed permissive suppliers and in which
16 the diesel fuel removed from the first terminal comes to rest in the
17 second terminal, provided that the removal from the second terminal
18 rack is subject to the state diesel fuel tax imposed by this
19 subchapter;

20 (6) diesel fuel delivered or sold into a storage
21 facility of a licensed aviation fuel dealer from which the diesel
22 fuel will be delivered solely into the fuel supply tanks of aircraft
23 or aircraft servicing equipment, or sold from one licensed aviation
24 fuel dealer to another licensed aviation fuel dealer who will
25 deliver the diesel fuel exclusively into the fuel supply tanks of
26 aircraft or aircraft servicing equipment;

27 (7) diesel fuel exported to a foreign country if the

1 bill of lading indicates the foreign destination and the fuel is
2 actually exported to the foreign country;

3 (8) dyed diesel fuel sold or delivered by a supplier to
4 another supplier and dyed diesel fuel sold or delivered by a
5 supplier or distributor into the bulk storage facility of a dyed
6 diesel fuel bonded user or to a purchaser who provides a signed
7 statement as provided by Section [162.206](#);

8 (9) the volume of water, fuel ethanol, renewable
9 diesel, biodiesel, or mixtures thereof that are blended together
10 with taxable diesel fuel when the finished product sold or used is
11 clearly identified on the retail pump, storage tank, and sales
12 invoice as a combination of diesel fuel and water, fuel ethanol,
13 renewable diesel, biodiesel, or mixtures thereof;

14 (10) dyed diesel fuel sold by a supplier or permissive
15 supplier to a distributor, or by a distributor to another
16 distributor;

17 (11) dyed diesel fuel delivered by a license holder
18 into the fuel supply tanks of railway engines, motorboats, or
19 refrigeration units or other stationary equipment powered by a
20 separate motor from a separate fuel supply tank;

21 (12) dyed kerosene when delivered by a supplier,
22 distributor, or importer into a storage facility at a retail
23 business from which all deliveries are exclusively for heating,
24 cooking, lighting, or similar nonhighway use;

25 (13) diesel fuel used by a person, other than a
26 political subdivision, who owns, controls, operates, or manages a
27 commercial motor vehicle as defined by Section [548.001](#),

1 Transportation Code, if the fuel:

2 (A) is delivered exclusively into the fuel supply
3 tank of the commercial motor vehicle; and

4 (B) is used exclusively to transport passengers
5 for compensation or hire between points in this state on a fixed
6 route or schedule;

7 (14) diesel fuel sold to a volunteer fire department
8 in this state for the department's exclusive use; or

9 (15) diesel fuel sold to a nonprofit entity that is
10 organized for the sole purpose of and engages exclusively in
11 providing emergency medical services and that uses the diesel fuel
12 exclusively to provide emergency medical services, including
13 rescue and ambulance services.

14 (g) In lieu of claiming the exemption and complying with the
15 labeling requirements provided by Subsection (a)(9), a person to
16 whom Section 162.201 applies may elect to collect and remit the
17 taxes [~~tax~~] otherwise imposed by [~~under~~] this subchapter on the
18 materials described by Subsection (a)(9) as if the materials were
19 taxable diesel fuel. The labeling requirements provided by
20 Subsection (a)(9) do not apply to a dealer who sells taxable diesel
21 fuel blended with materials described by Subsection (a)(9) on which
22 a tax has been paid as provided by this subsection. Materials
23 described by Subsection (a)(9) on which a tax has been paid as
24 provided by this subsection are not exempt from taxation [~~tax~~]
25 under Subsection (a)(9) on a subsequent sale, and a license holder
26 or other purchaser is not entitled to a refund or credit under
27 Subsection (a)(9) for a purchase of taxable diesel fuel blended

1 with those materials.

2 SECTION 45. Section 162.205(a), Tax Code, is amended to
3 read as follows:

4 (a) A person shall obtain the appropriate license or
5 licenses issued by the comptroller before conducting the activities
6 of:

7 (1) a supplier, who may also act as a distributor,
8 importer, exporter, blender, motor fuel transporter, dealer, or
9 aviation fuel dealer without securing a separate license, but who
10 is subject to all other conditions, requirements, and liabilities
11 imposed on those license holders;

12 (2) a permissive supplier, who may also act as a
13 distributor, importer, exporter, blender, motor fuel transporter,
14 dealer, or aviation fuel dealer without securing a separate license
15 but who is subject to all other conditions, requirements, and
16 liabilities imposed on those license holders;

17 (3) a distributor, who may also act as an importer,
18 exporter, blender, [~~or~~] motor fuel transporter, or dealer without
19 securing a separate license, but who is subject to all other
20 conditions, requirements, and liabilities imposed on those license
21 holders;

22 (4) an importer, who may also act as an exporter,
23 blender, [~~or~~] motor fuel transporter, or dealer without securing a
24 separate license, but who is subject to all other conditions,
25 requirements, and liabilities imposed on those license holders;

26 (5) a terminal operator;

27 (6) an exporter;

- 1 (7) a blender;
- 2 (8) a motor fuel transporter;
- 3 (9) an aviation fuel dealer;
- 4 (10) an interstate trucker; [~~or~~]
- 5 (11) a dyed diesel fuel bonded user; or
- 6 (12) a dealer.

7 SECTION 46. Section 162.206(d), Tax Code, is amended to
8 read as follows:

9 (d) Any gallons purchased or sold in excess of the
10 limitations prescribed by Subsection (c) constitute a [~~taxable~~
11 ~~purchase or~~] sale subject to the taxes imposed by this chapter. A
12 purchaser that exceeds the limitations prescribed by Subsection (c)
13 shall be required to obtain a dyed diesel fuel bonded user license.

14 SECTION 47. Sections 162.208(a) and (b), Tax Code, are
15 amended to read as follows:

16 (a) A person may elect to obtain a permissive supplier
17 license to collect the state diesel fuel tax imposed by [~~under~~]
18 this subchapter for diesel fuel that is removed at a terminal in another
19 state and has this state as the destination state.

20 (b) With respect to diesel fuel that is removed by the
21 licensed permissive supplier at a terminal located in another state
22 and that has this state as the destination state, a licensed
23 permissive supplier shall:

24 (1) collect the state diesel fuel tax due to this state
25 on the diesel fuel;

26 (2) waive any defense that this state lacks
27 jurisdiction to require the supplier to collect the state diesel

1 fuel tax due to this state on the diesel fuel under this subchapter;

2 (3) report and pay the state diesel fuel tax due on the
3 diesel fuel in the same manner as if the removal had occurred at a
4 terminal located in this state;

5 (4) keep records of the removal of the diesel fuel and
6 submit to audits concerning the diesel fuel as if the removal had
7 occurred at a terminal located in this state; and

8 (5) report sales by the permissive supplier to a
9 person who is not licensed in this state.

10 SECTION 48. Section 162.209, Tax Code, is amended by adding
11 Subsection (a-1) to read as follows:

12 (a-1) In addition to the information required by Subsection
13 (a), an applicant for a license as a dealer must list on the
14 application:

15 (1) the street address, city, county, and zip code of
16 the location for which the applicant seeks a license to sell or
17 dispense motor fuel at retail;

18 (2) the applicant's social security number, driver's
19 license number, and federal employer identification number if the
20 applicant is a natural person who is not licensed as a supplier,
21 permissive supplier, or terminal operator; and

22 (3) if the applicant is a corporation, limited
23 liability company, professional association, partnership or other
24 entity that is not licensed as a supplier, permissive supplier, or
25 terminal operator and is not wholly owned by an entity that is
26 licensed as a supplier, permissive supplier, or terminal operator,
27 the physical address, mailing address, social security number, and

1 driver's license number of:

2 (A) each natural person responsible for the
3 purchase of motor fuel for sale by the applicant; and

4 (B) each officer, director, manager, member,
5 shareholder, and partner of the applicant.

6 SECTION 49. Section 162.211(a), Tax Code, is amended to
7 read as follows:

8 (a) The license issued to a supplier, permissive supplier,
9 distributor, importer, terminal supplier, exporter, blender,
10 dealer, motor fuel transporter, or dyed diesel fuel bonded user is
11 permanent and is valid during the period the license holder has in
12 force and effect the required bond or security and furnishes timely
13 reports and supplements as required, or until the license is
14 surrendered by the holder or canceled by the comptroller. The
15 comptroller shall cancel a license under this subsection if a
16 purchase, sale, or use of diesel fuel has not been reported by the
17 license holder during the previous nine months.

18 SECTION 50. Section 162.212(a), Tax Code, is amended to
19 read as follows:

20 (a) The comptroller shall determine the amount of security
21 required of a supplier, permissive supplier, distributor,
22 exporter, importer, dealer, blender, or dyed diesel fuel bonded
23 user, taking into consideration the amount of tax that has or is
24 expected to become due from the person, any past history of the
25 person as a license holder under this chapter and its predecessor,
26 and the necessity to protect this state against the failure to pay
27 the tax as the tax becomes due.

1 SECTION 51. Section 162.213(a), Tax Code, is amended to
2 read as follows:

3 (a) The comptroller, on or before December 20 of each year,
4 shall make available to all license holders an alphabetical list of
5 licensed suppliers, permissive suppliers, distributors, aviation
6 fuel dealers, importers, exporters, blenders, dealers, terminal
7 operators, and dyed diesel fuel bonded users. A supplemental list
8 of additions and deletions shall be made available to the license
9 holders each month. A current and effective license or the list
10 furnished by the comptroller is evidence of the validity of the
11 license until the comptroller notifies license holders of a change
12 in the status of a license holder.

13 SECTION 52. Sections 162.214(c), (d), (d-1), and (e), Tax
14 Code, are amended to read as follows:

15 (c) If the supplier or permissive supplier cannot secure
16 from the licensed distributor or licensed importer payment of taxes
17 due for state diesel fuel removed from the terminal during the
18 previous reporting period and the supplier elects to take a credit
19 against a subsequent payment of diesel fuel tax to this state for
20 the taxes not remitted to the supplier or permissive supplier by the
21 licensed distributor or licensed importer, the supplier or
22 permissive supplier shall notify the comptroller of the licensed
23 distributor's or licensed importer's failure to remit tax in
24 conjunction with the report requesting a credit.

25 (d) The supplier or permissive supplier, after requesting a
26 credit under this section, shall terminate the ability of the
27 licensed distributor or licensed importer to defer the payment of

1 state diesel fuel tax. The supplier or permissive supplier may not
2 reinstate the right of the licensed distributor or licensed
3 importer to defer the payment of state diesel fuel tax until the
4 first anniversary of the date the supplier or permissive supplier
5 requested the credit, subject to Subsection (d-1).

6 (d-1) A supplier or permissive supplier may reinstate the
7 right of a licensed distributor or licensed importer to defer the
8 payment of state diesel fuel tax before the date prescribed by
9 Subsection (d) if the comptroller determines that:

10 (1) the supplier or permissive supplier erroneously
11 requested the credit that resulted in the termination of the
12 licensed distributor's or licensed importer's right to defer
13 payment; or

14 (2) the licensed distributor or licensed importer
15 failed to pay state diesel fuel taxes due because of circumstances
16 that may have been outside the distributor's or importer's control.

17 (e) A licensed distributor or licensed importer who makes
18 timely payments of the state diesel fuel tax imposed by ~~under~~ this
19 subchapter is entitled to retain an amount equal to 1.75 percent of
20 the total state diesel fuel tax ~~taxes~~ to be paid to the supplier
21 or permissive supplier to cover administrative expenses.

22 SECTION 53. Section 162.215(a), Tax Code, is amended to
23 read as follows:

24 (a) Except as provided by Subsection (b), each person who is
25 liable for the taxes ~~tax~~ imposed by this subchapter, a terminal
26 operator, a dealer, and a licensed distributor shall file a return
27 on or before the 25th day of the month following the end of each

1 calendar month.

2 SECTION 54. Sections 162.216(b), (c), (e), (g), and (h),
3 Tax Code, are amended to read as follows:

4 (b) A distributor shall keep:

5 (1) a record showing the number of gallons of:

6 (A) all diesel fuel inventories on hand at the
7 first of each month;

8 (B) all diesel fuel blended;

9 (C) all diesel fuel purchased or received,
10 showing the name of the seller and the date of each purchase or
11 receipt;

12 (D) all diesel fuel sold, distributed, or used,
13 showing:

14 (i) the name of the purchaser;

15 (ii) the county or counties in this state;

16 (iii) the amount of county diesel fuel
17 collected from the purchaser; and

18 (iv) the date of the sale, distribution, or
19 use; and

20 (E) all diesel fuel lost by fire, theft, or
21 accident;

22 (2) an itemized statement showing by load the number
23 of gallons of all diesel fuel:

24 (A) received during the preceding calendar month
25 for export and the location of the loading;

26 (B) sold, distributed, or used, showing:

27 (i) the name of the purchaser;

1 (ii) the destination county or counties in
2 this state;

3 (iii) the amount of county diesel fuel tax
4 collected from the purchaser; and

5 (iv) the date of the sale, distribution, or
6 use;

7 (C) exported from this state by destination state
8 or country; and

9 (D) [~~(C)~~] imported during the preceding calendar
10 month, by state or country of origin; [~~and~~]

11 (3) for diesel fuel exported outside this state, proof
12 of payment of tax to the destination state, in a form acceptable to
13 the comptroller; and

14 (4) all shipping documents.

15 (c) An importer shall keep:

16 (1) a record showing the number of gallons of:

17 (A) all diesel fuel inventories on hand at the
18 first of each month;

19 (B) all diesel fuel compounded or blended;

20 (C) all diesel fuel purchased or received,
21 showing the name of the seller and the date of each purchase or
22 receipt;

23 (D) all diesel fuel sold, distributed, or used,
24 showing the name of the purchaser, the county in this state, and the
25 date of the sale, distribution, or use; and

26 (E) all diesel fuel lost by fire, theft, or
27 accident; and

1 (2) an itemized statement showing by load the number
2 of gallons of all diesel fuel:

3 (A) received during the preceding calendar month
4 for export and the location of the loading;

5 (B) sold, distributed, or used, showing the name
6 of the purchaser, the county or counties in this state, and the date
7 of sale, distribution, or use;

8 (C) exported from this state, by destination
9 state or country; and

10 (D) [~~(C)~~] imported during the preceding calendar
11 month, by state or country of origin.

12 (e) A blender shall keep a record showing the number of
13 gallons of:

14 (1) all diesel fuel inventories on hand at the first of
15 each month;

16 (2) all diesel fuel compounded or blended;

17 (3) all diesel fuel purchased or received, showing the
18 name of the seller and the date of each purchase or receipt;

19 (4) all diesel fuel sold, distributed, or used,
20 showing the name of the purchaser, the county in this state, and the
21 date of the sale, distribution, or use; and

22 (5) all diesel fuel lost by fire, theft, or accident.

23 (g) A motor fuel transporter shall keep a complete and
24 separate record of each intrastate and interstate transportation of
25 diesel fuel, showing:

26 (1) the date of transportation;

27 (2) the name of the consignor and consignee;

1 (3) the method of transportation;
2 (4) the quantity and kind of diesel fuel transported;
3 (5) full data concerning the diversion of shipments,
4 including the county in this state and the number of gallons
5 diverted from interstate to intrastate and intrastate to interstate
6 commerce; and

7 (6) the points of origin and destination, the county
8 in this state, the number of gallons shipped or transported, the
9 date, the consignee and the consignor, and the kind of diesel fuel
10 that has been diverted.

11 (h) A dealer shall keep a record showing the number of
12 gallons of:

13 (1) diesel fuel inventories on hand at the first of
14 each month;

15 (2) all diesel fuel purchased or received, showing the
16 name of the seller and the date of each purchase or receipt;

17 (3) all diesel fuel sold or used, showing the date of
18 the sale or use; ~~and~~

19 (4) all diesel fuel lost by fire, theft, or accident;
20 and

21 (5) all shipping documents.

22 SECTION 55. Section 162.217(c), Tax Code, is amended to
23 read as follows:

24 (c) A supplier or permissive supplier may take a credit for
25 any state gasoline tax ~~taxes~~ that was ~~were~~ not remitted in a
26 previous period to the supplier or permissive supplier by a
27 licensed distributor or licensed importer as required by Section

1 162.214. The supplier or permissive supplier is eligible to take
2 this credit if the comptroller is notified of the default within 15
3 days after the default occurs. If a license holder pays to a
4 supplier or permissive supplier the tax owed, but the payment
5 occurs after the supplier or permissive supplier has taken a credit
6 on its return, the supplier or permissive supplier shall remit the
7 payment to the comptroller with the next monthly return after
8 receipt of the tax, plus a penalty of 10 percent of the amount of
9 unpaid taxes and interest at the rate provided by Section 111.060
10 beginning on the date the credit is taken.

11 SECTION 56. Section 162.219, Tax Code, is amended to read as
12 follows:

13 Sec. 162.219. INFORMATION REQUIRED ON DISTRIBUTOR'S
14 RETURN; PAYMENT OF TAXES AND ALLOWANCES. (a) The monthly return and
15 supplements of each distributor shall contain for the period
16 covered by the return:

17 (1) the number of net gallons of diesel fuel received
18 by the distributor during the month, sorted by product code,
19 seller, point of origin, destination state, carrier, and receipt
20 date;

21 (2) the number of net gallons of diesel fuel removed at
22 a terminal rack by the distributor during the month, sorted by
23 product code, seller, terminal code, and carrier;

24 (3) the number of net gallons of diesel fuel removed by
25 the distributor during the month for export, sorted by product
26 code, terminal code, bulk plant address, destination state, and
27 carrier;

1 (4) the number of net gallons of diesel fuel removed by
2 the distributor during the month from a terminal located in another
3 state for conveyance to this state, as indicated on the shipping
4 document for the diesel fuel, sorted by product code, seller,
5 terminal code, bulk plant address, and carrier;

6 (5) the number of net gallons of diesel fuel the
7 distributor sold during the month in transactions exempt under
8 Section 162.204, dyed diesel fuel sold to a purchaser under a signed
9 statement, or dyed diesel fuel sold to a dyed diesel fuel bonded
10 user, sorted by product code and by the entity receiving the diesel
11 fuel; ~~and~~

12 (6) the number of net gallons delivered into a taxing
13 county sorted by taxing county and purchaser; and

14 (7) any other information required by the comptroller.

15 (b) A distributor or importer who makes timely payments of
16 the county tax imposed by this subchapter is entitled to retain an
17 amount equal to two percent of the total county diesel fuel taxes
18 remitted to the comptroller to cover administrative expenses.

19 SECTION 57. Section 162.224, Tax Code, is amended to read as
20 follows:

21 Sec. 162.224. INFORMATION REQUIRED ON BLENDER'S RETURN.
22 The monthly return and supplements of each blender shall contain
23 for the period covered by the return:

24 (1) the number of net gallons of diesel fuel received
25 by the blender during the month, sorted by product code, seller,
26 point of origin, carrier, and receipt date;

27 (2) the number of net gallons of product blended with

1 diesel fuel during the month, sorted by product code, type of
2 blending agent if no product code exists, seller, and carrier;

3 (3) the number of net gallons of blended diesel fuel
4 sold during the month and the license number or name, ~~and~~ address,
5 and county in this state of the entity receiving the blended diesel
6 fuel; and

7 (4) any other information required by the comptroller.

8 SECTION 58. Subchapter C, Chapter 162, Tax Code, is amended
9 by adding Section 162.2245 to read as follows:

10 Sec. 162.2245. INFORMATION REQUIRED ON DEALER'S RETURN. The
11 monthly return and supplements of each dealer shall contain for the
12 period covered by the return:

13 (1) the number of gallons of diesel fuel inventories
14 on hand at the first of each month, sorted by product code;

15 (2) the number of gallons of diesel fuel received by
16 the dealer during the month, sorted by seller;

17 (3) the number of gallons of diesel fuel inventories
18 on hand at the end of each month; and

19 (4) any other information required by the comptroller.

20 SECTION 59. Sections 162.227(f-1) and (f-2), Tax Code, are
21 amended to read as follows:

22 (f-1) A volunteer fire department exempt from the taxes
23 ~~[tax]~~ imposed under this subchapter that paid a tax on the purchase
24 of diesel fuel is entitled to a refund of the tax paid, and the
25 volunteer fire department may file a refund claim with the
26 comptroller for that amount.

27 (f-2) A nonprofit entity exempted under Section

1 162.204(a)(15) from the taxes [~~tax~~] imposed under this subchapter
2 that paid a tax on the purchase of diesel fuel is entitled to a
3 refund of the tax paid, and the entity may file a refund claim with
4 the comptroller for that amount.

5 SECTION 60. Sections 162.229(a) and (d), Tax Code, are
6 amended to read as follows:

7 (a) A refund claim must be filed on a form provided by the
8 comptroller, be supported by the original invoice issued by the
9 seller, and contain:

10 (1) the stamped or preprinted name and address,
11 including county, of the seller;

12 (2) the name and address of the purchaser;

13 (3) the date of delivery of the diesel fuel;

14 (4) the date of the issuance of the invoice, if
15 different from the date of fuel delivery;

16 (5) the number of gallons of diesel fuel delivered;

17 (6) the amount of state or county diesel fuel taxes
18 paid [~~tax~~], either separately stated from the selling price or
19 stated with a notation that both state and county taxes are included
20 if both apply [~~the selling price includes the tax~~]; and

21 (7) the type of vehicle or equipment into which the
22 fuel is delivered.

23 (d) A distributor or person who does not hold a license who
24 files a valid refund claim with the comptroller shall be paid by a
25 warrant issued by the comptroller. For purposes of this section, a
26 distributor meets the requirement of filing a valid refund claim
27 for state and county diesel fuel taxes if the distributor

1 designates the gallons of diesel fuel sold or used that are the
2 subject of the refund claim on the monthly report submitted by the
3 distributor to the comptroller.

4 SECTION 61. Sections 162.401(b), (c), and (f), Tax Code,
5 are amended to read as follows:

6 (b) The comptroller may add a penalty of 75 percent of the
7 amount of taxes, penalties, and interest due if failure to file the
8 report or pay the tax when it becomes due is attributable to fraud
9 or an intent to evade the application of this chapter or a rule
10 adopted under this chapter, ~~[or]~~ Chapter 111 of this code, or
11 Chapter 616, Local Government Code.

12 (c) The penalties provided by Subsection (b) are intended to
13 be remedial in nature and are provided for the protection of state
14 and taxing county revenue and to reimburse the state and taxing
15 counties for expenses incurred as a result of fraud, including
16 expenses incurred in conducting an investigation.

17 (f) In addition to any other penalty authorized by this
18 section, a person who fails to pay the tax imposed by Section
19 162.101(e-2), 162.1011(c), ~~[or]~~ 162.201(e-2), or 162.2011(d) when
20 due shall pay a penalty equal to the greater of \$2,000 or five times
21 the amount of the taxes ~~[tax]~~ due on the motor fuel.

22 SECTION 62. Sections 162.402(a), (c), and (d), Tax Code,
23 are amended to read as follows:

24 (a) A person forfeits to the state a civil penalty of not
25 less than \$25 and not more than \$200 if the person:

26 (1) refuses to stop and permit the inspection and
27 examination of a motor vehicle transporting or using motor fuel on

1 demand of a peace officer or the comptroller;

2 (2) operates a motor vehicle in this state without a
3 valid interstate trucker's license or a trip permit when the person
4 is required to hold one of those licenses or permits;

5 (3) transports gasoline or diesel fuel in any cargo
6 tank that has a connection by pipe, tube, valve, or otherwise with
7 the fuel injector or carburetor of, or with the fuel supply tank
8 feeding the fuel injector or carburetor of, the motor vehicle
9 transporting the product;

10 (4) sells or delivers gasoline or diesel fuel from any
11 fuel supply tank connected with the fuel injector or carburetor of a
12 motor vehicle;

13 (5) owns or operates a motor vehicle for which reports
14 or mileage records are required by this chapter without an
15 operating odometer or other device in good working condition to
16 record accurately the miles traveled;

17 (6) furnishes to a licensed supplier or distributor a
18 signed statement for purchasing diesel fuel tax-free and then uses
19 the tax-free diesel fuel to operate a diesel-powered motor vehicle
20 on a public highway;

21 (7) fails or refuses to comply with or violates a
22 provision of this chapter;

23 (8) fails or refuses to comply with or violates a
24 comptroller's rule for administering or enforcing this chapter;

25 (9) is an importer who does not obtain an import
26 verification number when required by this chapter;

27 (10) purchases motor fuel for export, on which the

1 taxes [~~tax~~] imposed by this chapter have [~~has~~] not been paid, and
2 subsequently diverts or causes the motor fuel to be diverted to a
3 destination in this state or any other state or country other than
4 the originally designated state or country without first obtaining
5 a diversion number;

6 (11) delivers compressed natural gas or liquefied
7 natural gas into the fuel supply tank of a motor vehicle and the
8 person does not hold a valid compressed natural gas and liquefied
9 natural gas dealer's license; [~~or~~]

10 (12) makes a tax-free delivery of compressed natural
11 gas or liquefied natural gas into the fuel supply tank of a motor
12 vehicle, unless the delivery is exempt from tax under Section
13 162.356; or

14 (13) transports motor fuel to a county in this state
15 other than the county stated on the shipping document.

16 (c) A person receiving motor fuel who accepts a shipping
17 document that does not conform with the requirements of Section
18 162.004 or 162.016(a) is liable to this state for a civil penalty of
19 \$2,000 or five times the amount of the unpaid tax, whichever is
20 greater, for each occurrence.

21 (d) A person who issues a shipping document that does not
22 conform with the requirements of Section 162.004 or 162.016(a) is
23 liable to this state for a civil penalty of \$2,000 or five times the
24 amount of the unpaid tax, whichever is greater, for each
25 occurrence.

26 SECTION 63. Section 162.403, Tax Code, is amended to read as
27 follows:

1 Sec. 162.403. CRIMINAL OFFENSES. Except as provided by
2 Section 162.404, a person commits an offense if the person:

3 (1) refuses to stop and permit the inspection and
4 examination of a motor vehicle transporting or using motor fuel on
5 the demand of a peace officer or the comptroller;

6 (2) is required to hold a valid trip permit or
7 interstate trucker's license, but operates a motor vehicle in this
8 state without a valid trip permit or interstate trucker's license;

9 (3) transports gasoline or diesel fuel in any cargo
10 tank that has a connection by pipe, tube, valve, or otherwise with
11 the fuel injector or carburetor or with the fuel supply tank feeding
12 the fuel injector or carburetor of the motor vehicle transporting
13 the product;

14 (4) sells or delivers gasoline or diesel fuel from a
15 fuel supply tank that is connected with the fuel injector or
16 carburetor of a motor vehicle;

17 (5) owns or operates a motor vehicle for which reports
18 or mileage records are required by this chapter without an
19 operating odometer or other device in good working condition to
20 record accurately the miles traveled;

21 (6) sells or delivers dyed diesel fuel for the
22 operation of a motor vehicle on a public highway;

23 (7) uses dyed diesel fuel for the operation of a motor
24 vehicle on a public highway except as allowed under Section
25 162.235;

26 (8) refuses to permit the comptroller or the attorney
27 general to inspect, examine, or audit a book or record required to

1 be kept by a license holder, other user, or any person required to
2 hold a license under this chapter;

3 (9) refuses to permit the comptroller or the attorney
4 general to inspect or examine any plant, equipment, materials, or
5 premises where motor fuel is produced, processed, blended, stored,
6 sold, delivered, or used;

7 (10) refuses to permit the comptroller, the attorney
8 general, an employee of either of those officials, a peace officer,
9 an employee of the Texas Commission on Environmental Quality, or an
10 employee of the Department of Agriculture to measure or gauge the
11 contents of or take samples from a storage tank or container on
12 premises where motor fuel is produced, processed, blended, stored,
13 sold, delivered, or used;

14 (11) is a license holder, a person required to be
15 licensed, or another user and fails or refuses to make or deliver to
16 the comptroller a report required by this chapter to be made and
17 delivered to the comptroller;

18 (12) is an importer who does not obtain an import
19 verification number when required by this chapter;

20 (13) purchases motor fuel for export, on which the
21 taxes [~~tax~~] imposed by this chapter have [~~has~~] not been paid, and
22 subsequently diverts or causes the motor fuel to be diverted to a
23 destination in this state or any other state or country other than
24 the originally designated state or country without first obtaining
25 a diversion number;

26 (13-a) transports motor fuel to a county in this state
27 other than the county stated on the shipping document;

1 (14) conceals motor fuel with the intent of engaging
2 in any conduct proscribed by this chapter or refuses to make sales
3 of motor fuel on the volume-corrected basis prescribed by this
4 chapter;

5 (15) refuses, while transporting motor fuel, to stop
6 the motor vehicle the person is operating when called on to do so by
7 a person authorized to stop the motor vehicle;

8 (16) refuses to surrender a motor vehicle and cargo
9 for impoundment after being ordered to do so by a person authorized
10 to impound the motor vehicle and cargo;

11 (17) mutilates, destroys, or secretes a book or record
12 required by this chapter to be kept by a license holder, other user,
13 or person required to hold a license under this chapter;

14 (18) is a license holder, other user, or other person
15 required to hold a license under this chapter, or the agent or
16 employee of one of those persons, and makes a false entry or fails
17 to make an entry in the books and records required under this
18 chapter to be made by the person or fails to retain a document as
19 required by this chapter;

20 (19) transports in any manner motor fuel under a false
21 cargo manifest or shipping document, or transports in any manner
22 motor fuel to a location without delivering at the same time a
23 shipping document relating to that shipment;

24 (20) engages in a motor fuel transaction that requires
25 that the person have a license under this chapter without then and
26 there holding the required license;

27 (21) makes and delivers to the comptroller a report

1 required under this chapter to be made and delivered to the
2 comptroller, if the report contains false information;

3 (22) forges, falsifies, or alters an invoice or
4 shipping document prescribed by law;

5 (23) makes any statement, knowing said statement to be
6 false, in a claim for a tax refund filed with the comptroller;

7 (24) furnishes to a licensed supplier or distributor a
8 signed statement for purchasing diesel fuel tax-free and then uses
9 the tax-free diesel fuel to operate a diesel-powered motor vehicle
10 on a public highway;

11 (25) holds an aviation fuel dealer's license and makes
12 a taxable sale or use of any gasoline or diesel fuel;

13 (26) fails to remit any tax funds collected or
14 required to be collected by a license holder, another user, or any
15 other person required to hold a license under this chapter;

16 (27) makes a sale of dyed diesel fuel tax-free into a
17 storage facility of a person who:

18 (A) is not licensed as a distributor, as an
19 aviation fuel dealer, or as a dyed diesel fuel bonded user; or

20 (B) does not furnish to the licensed supplier or
21 distributor a signed statement prescribed in Section [162.206](#);

22 (28) makes a sale of gasoline tax-free to any person
23 who is not licensed as an aviation fuel dealer;

24 (29) purchases any motor fuel tax-free when not
25 authorized to make a tax-free purchase under this chapter;

26 (30) purchases motor fuel with the intent to evade any
27 tax imposed by this chapter or accepts a delivery of motor fuel by

1 any means and does not at the same time accept or receive a shipping
2 document relating to the delivery;

3 (31) transports motor fuel for which a cargo manifest
4 or shipping document is required to be carried without possessing
5 or exhibiting on demand by an officer authorized to make the demand
6 a cargo manifest or shipping document containing the information
7 required to be shown on the manifest or shipping document;

8 (32) imports, sells, uses, blends, distributes, or
9 stores motor fuel within this state on which a tax [~~the taxes~~]
10 imposed by this chapter is [~~are~~] owed but has [~~have~~] not been first
11 paid to or reported by a license holder, another user, or any other
12 person required to hold a license under this chapter;

13 (33) blends products together to produce a blended
14 fuel that is offered for sale, sold, or used and that expands the
15 volume of the original product to evade paying applicable motor
16 fuel taxes;

17 (34) evades or attempts to evade in any manner a tax
18 imposed on motor fuel by this chapter;

19 (35) delivers compressed natural gas or liquefied
20 natural gas into the fuel supply tank of a motor vehicle and the
21 person does not hold a valid compressed natural gas and liquefied
22 natural gas dealer's license; or

23 (36) makes a tax-free delivery of compressed natural
24 gas or liquefied natural gas into the fuel supply tank of a motor
25 vehicle, unless the delivery is exempt from tax under Section
26 [162.356](#).

27 SECTION 64. Section [162.405\(d\)](#), Tax Code, is amended to

1 read as follows:

2 (d) An offense under Section 162.403(6), (13-a), (17),
3 (18), (19), (20), (21), (22), (23), or (24) is a felony of the third
4 degree.

5 SECTION 65. Section 20.002(d), Transportation Code, is
6 amended to read as follows:

7 (d) The fee imposed by this section is equal to 25 percent of
8 the diesel fuel tax rate imposed under Section 162.202(a)
9 [~~162.202~~], Tax Code.

10 SECTION 66. (a) A county may not impose a motor fuels tax
11 under Chapter 616, Local Government Code, as added by this Act,
12 before the effective date of rules adopted by the comptroller of
13 public accounts under Section 616.102, Local Government Code, as
14 added by this Act.

15 (b) The comptroller of public accounts shall adopt the rules
16 required by Section 616.102, Local Government Code, as added by
17 this Act, not later than December 1, 2019.

18 SECTION 67. If the constitution of this state requires that
19 one-fourth of the county motor fuels tax authorized by this Act be
20 allocated to the available school fund, the county shall deposit
21 that money into an account separate from the money collected under
22 other provisions of this Act and shall allocate the money to the
23 comptroller of public accounts for deposit in the state treasury
24 for the purpose required by the constitution.

25 SECTION 68. This Act takes effect September 1, 2019.