

BILL ANALYSIS

Senate Research Center
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H.B. 4296
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Water, Agriculture & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Diesel fuel meant for off-road use only, such as in farm and construction equipment, is not taxed. Since the 1990s, federal law has required such tax-exempt diesel fuel to be dyed bright red. Using dyed diesel on the highway or knowingly selling it for such use is illegal under both state and federal law. Winter Storm Uri, which struck Texas in February of this year, exposed the unavailability of regular diesel fuel as a critical vulnerability for Texas agriculture. Amid the storm, regular diesel supplies were quickly exhausted and unable to be replenished. Many agricultural producers had off-road, dyed diesel available for their tractors and other equipment, but could not use that fuel legally to power motor vehicles on the highway. Producers were left with the prospect of either breaking the law or being unable to reach livestock to deliver food, water, and care. H.B. 4296 seeks to mitigate the impact of disasters on essential workers such as farmers and ranchers by authorizing the on-highway use of dyed diesel fuel for a period during and after certain disaster declarations.

H.B. 4296 amends current law relating to the use of dyed diesel fuel to operate a motor vehicle during and for a limited period following certain disasters.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 162.235, Tax Code, by adding Subsection (c), as follows:

(c) Authorizes a person who purchases dyed motor fuel and furnishes to the licensed supplier or distributor under Section 162.206(a) (relating to furnishing a signed statement exempting dyed diesel fuel from the diesel fuel tax) a signed statement that includes an end user number issued by the Comptroller of Public Accounts of the State of Texas, notwithstanding Subsection (a) (relating to prohibiting the use of dyed motor fuel on public highways), to operate a motor vehicle on a public highway in this state with that dyed motor fuel in the fuel supply tank of the motor vehicle during a period beginning on the date a state of disaster is declared under Section 418.014 (Declaration of State of Disaster), Government Code, due to a fire, flood, earthquake, tornado, hurricane, storm, or energy emergency and ending on the 30th day after the declaration expires or otherwise terminates, if the motor vehicle is operated:

(1) in the area designated a disaster area by the disaster declaration; or

(2) in an area other than the area described by Subdivision (1) if the dyed motor fuel was placed in the fuel supply tank of the motor vehicle in the area described by that subdivision.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2021.