

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4296 by Burns (Relating to the use of dyed diesel during a state of disaster.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Subchapter C, Chapter 162, Tax Code to provide for use of dyed diesel fuel for the operation of a motor vehicle on a public highway in a disaster area.

The bill would add Section 162.236 to provide that, notwithstanding other law, taxable motor fuel that contains dye may be used in the supply tank of a motor vehicle in an area subject to a state or local declaration of a state of disaster.

The bill would amend Section 162.403, Tax Code to provide that such use is not a criminal offense.

The use of dyed diesel fuel in a disaster area would be allowed by the bill notwithstanding any other law, including Section 162.235 which prohibits the use of dyed fuel for the operation of a motor vehicle on a public highway. The bill does not exempt such use from tax.

Dyed diesel fuel is normally untaxed fuel purchased for nontaxable off-road uses. Section 162.203(a)(2) imposes backup tax on a person who operates a motor vehicle on a public highway using diesel fuel on which tax has not been paid. Added Section 162.236 does not provide for exemption of use in a disaster area from the backup tax. Consequently, the bill would have no significant fiscal implications.

The Texas Division of Emergency Management indicates that the costs associated with the bill's provisions relating to approving the use of dyed diesel during a state of disaster could be absorbed using existing resources.

The bill would take effect September 1, 2021.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 452 Dept of License & Reg, 455 Railroad Commission, 575 TX Division of Emergency Management, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles

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