

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 30, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1836 by Hinojosa (Relating to the use of certain tax-exempt compressed natural gas and liquefied natural gas refueling facilities under certain circumstances.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 162.356(b), Tax Code, relating to the use of certain tax-exempt compressed natural gas (CNG) and liquefied natural gas (LNG) refueling facilities under certain circumstances.

The bill would broaden the scope of a current exemption to include non-transit motor vehicles fueling at a transit facility during periods of emergencies and other exigent circumstances, as provided by an interlocal agreement.

Under current statute, eligible transit companies may purchase CNG or LNG tax-free from a refueling facility if that facility only services transit vehicles; if other vehicles also use the facility the current exemption is no longer in effect.

The bill would retain this current exemption for transit companies while allowing some other motor vehicles, that currently receive a CNG and LNG tax exemption elsewhere in the Motor Fuel chapter of the Tax Code, to fuel at a transit facility. This would only be allowed under a condition of an emergency or other pressing circumstances where cooperation between local governments may be necessitated and previously agreed upon.

According to the Comptroller of Public Accounts, the bill will not have a significant state fiscal impact.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2023.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD