

BILL ANALYSIS

H.B. 405
By: Hayes
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The fuel ethanol, renewable methane, biodiesel, and renewable diesel production incentive program has undergone several legislative transitions since its creation as the fuel ethanol and biodiesel production incentive program by the 78th Legislature, Regular Session. Initially established when the Texas Department of Economic Development was abolished, the program was first under the Texas Economic Development and Tourism Office within the governor's office. The 80th Legislature, Regular Session, moved the program to the Department of Agriculture. Through various legislative sessions and subsequent amendments, duplicate subsections were inadvertently created that have resulted in conflicting statutory provisions regarding fee schedules for program participation and grant payout structures. H.B. 405 seeks to address this issue by reenacting certain provisions in order to avoid future uncertainty about proper fee assessments and grant distributions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

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

ANALYSIS

H.B. 405 reenacts Section 16.005(a) and Section 16.006(b), Agriculture Code, as amended by Chapters 1295 (H.B. 2318) and 1312 (H.B. 2582), Acts of the 81st Legislature, Regular Session, 2009, to conform to certain changes made by both bills, thus providing for the following:

- the Department of Agriculture is required to impose a fee on each producer who operates a fuel ethanol, renewable methane, biodiesel, or renewable diesel plant in Texas in an amount equal to 3.2 cents for each gallon of fuel ethanol, renewable diesel, or MMBtu of renewable methane and 1.6 cents for each gallon of biodiesel produced in each registered plant operated by the producer; and
- such a producer is entitled to receive from the fuel ethanol, renewable methane, biodiesel, and renewable diesel production account 20 cents for each gallon of fuel ethanol, renewable diesel, or MMBtu of renewable methane and 10 cents for each gallon of biodiesel produced in each registered plant operated by the producer until the 10th anniversary of the date production from the plant begins.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.