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By:  Hinojosa of Hidalgo, Hinojosa of Nueces S.B. No. 2949

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of the transportation of motor fuels and other hazardous materials; creating a criminal offense.

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

SECTION 1.  Article 18B.202(a), Code of Criminal Procedure, is amended to read as follows:

(a)  A district judge may issue an order for the installation and use of a mobile tracking device only on the application of:

(1)  an authorized peace officer; or

(2)  a peace officer commissioned by the comptroller for purposes of Section 162.008, Tax Code.

SECTION 2.  Section 162.001(23), Tax Code, is amended to read as follows:

(23)  "Export" means to obtain motor fuel in this state for sale or use in another state, territory, or foreign country and to directly transport that motor fuel to the other state, territory, or country without altering the content of the load by volume or composition.

SECTION 3.  Sections 162.004(b) and (e), Tax Code, are amended to read as follows:

(b)  A shipping document shall contain the following information and any other information required by the comptroller:

(1)  the terminal control number of the terminal or physical address of the terminal or bulk plant from which the motor fuel was received;

(2)  the name of the purchaser;

(3)  the date the motor fuel was loaded;

(4)  the net gallons loaded, or the gross gallons loaded if the fuel was purchased from a bulk plant;

(5)  the destination state of the motor fuel, as represented by the purchaser of the motor fuel or the purchaser's agent; [~~and~~]

(6)  a description of the product being transported;

(7)  the name and taxpayer number of the transportation company; and

(8)  the name of the operator of the barge, vessel, railroad tank car, or transport vehicle into which the motor fuel was loaded.

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

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

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

(3)  directly deliver the motor fuel to the destination state printed on the shipping document unless the person:

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

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

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

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

SECTION 4.  Section 162.104(a), Tax Code, is amended to read as follows:

(a)  The tax imposed by this subchapter does not apply to gasoline:

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

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

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

(4)  directly exported by either a licensed supplier or a licensed exporter from this state to any other state without altering the content of the load by volume or composition, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

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

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

(7)  directly exported to a foreign country without altering the content of the load by volume or composition if the bill of lading or shipping documents indicate the foreign destination and the fuel is actually exported to the foreign country;

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

(9)  sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the gasoline exclusively to provide emergency medical services, including rescue and ambulance services; or

(10)  sold to a nonprofit food bank and delivered into:

(A)  the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food; or

(B)  a storage facility from which gasoline will be delivered solely into the fuel supply tanks of motor vehicles described by Paragraph (A).

SECTION 5.  Section 162.105, Tax Code, is amended to read as follows:

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

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

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

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

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

(5)  a terminal operator;

(6)  an exporter;

(7)  a blender;

(8)  a motor fuel transporter;

(9)  an aviation fuel dealer; or

(10)  an interstate trucker.

(b)  Each individual operating as a motor fuel transporter must obtain the appropriate license as required by Subsection (a) and may not operate under the license of another person.

SECTION 6.  Sections 162.110(a) and (c), Tax Code, are amended to read as follows:

(a)  The license issued to a supplier, permissive supplier, distributor, importer, exporter, terminal operator, or blender[~~, or motor fuel transporter~~] is permanent and is valid during the period the license holder has in force and effect the required bond or security and furnishes timely reports and supplements as required, or until the license is surrendered by the holder or canceled by the comptroller. The comptroller shall cancel a license under this subsection if a purchase, sale, or use of gasoline has not been reported by the license holder during the previous nine months.

(c)  The license issued to an interstate trucker or motor fuel transporter is valid from the date of its issuance through December 31 of each calendar year or until the license is surrendered by the holder or canceled by the comptroller. The comptroller may renew the license for each ensuing calendar year if the license holder furnishes timely reports as required.

SECTION 7.  Section 162.204(a), Tax Code, is amended to read as follows:

(a)  The tax imposed by this subchapter does not apply to:

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

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

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

(4)  diesel fuel directly exported by either a licensed supplier or a licensed exporter from this state to any other state without altering the content of the load by volume or composition, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

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

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

(7)  diesel fuel directly exported to a foreign country without altering the content of the load by volume or composition if the bill of lading or shipping documents indicate the foreign destination and the fuel is actually exported to the foreign country;

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

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

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

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

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

(13)  diesel fuel used by a person, other than a political subdivision, who owns, controls, operates, or manages a commercial motor vehicle as defined by Section 548.001, Transportation Code, if the fuel:

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

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

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

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

(16)  diesel fuel sold to a nonprofit food bank and delivered into:

(A)  the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food; or

(B)  a storage facility from which diesel fuel will be delivered solely into the fuel supply tanks of motor vehicles described by Paragraph (A).

SECTION 8.  Section 162.205, Tax Code, is amended by adding Subsection (c) to read as follows:

(c)  Each individual operating as a motor fuel transporter must obtain the appropriate license as required by Subsection (a) and may not operate under the license of another person.

SECTION 9.  Sections 162.211(a) and (c), Tax Code, are amended to read as follows:

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

(c)  The license issued to an interstate trucker or motor fuel transporter is valid from the date of its issuance through December 31 of each calendar year or until the license is surrendered by the holder or canceled by the comptroller. The comptroller may renew the license for each ensuing calendar year if the license holder furnishes timely reports as required.

SECTION 10.  Section 162.403, Tax Code, is amended to read as follows:

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

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

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

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

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

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

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

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

(8)  refuses to permit the comptroller or the attorney general to inspect, examine, or audit a book or record required to be kept by a license holder, other user, or any person required to hold a license under this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

(21)  makes and delivers to the comptroller a report required under this chapter to be made and delivered to the comptroller, if the report contains false information;

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

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

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

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

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

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

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

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

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

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

(30)  purchases motor fuel with the intent to evade any tax imposed by this chapter or accepts a delivery of motor fuel by any means and does not at the same time accept or receive a shipping document relating to the delivery;

(31)  transports motor fuel without [~~for which~~] a cargo manifest or shipping document or presents to a peace officer a shipping document the contents of which are inconsistent with the volume and content of the motor fuel being transported [~~is required to be carried without possessing or exhibiting on demand by an officer authorized to make the demand a cargo manifest or shipping document containing the information required to be shown on the manifest or shipping document~~];

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

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

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

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

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

SECTION 11.  Subchapter G, Chapter 621, Transportation Code, is amended by adding Section 621.512 to read as follows:

Sec. 621.512.  PROHIBITION ON OPERATING OVERWEIGHT VEHICLE TRANSPORTING HAZARDOUS MATERIALS ON ROUTE OTHER THAN DESIGNATED PERMIT ROUTE. (a) A person commits an offense if the person operates or moves an overweight vehicle transporting hazardous materials under a permit issued under this subtitle on a public highway that is not included in the route designated under the permit.

(b)  An offense under this section is a felony of the second degree.

(c)  It is an affirmative defense to prosecution under this section that, at the time of the offense, the vehicle was being operated or moved:

(1)  under the immediate direction of a law enforcement agency; or

(2)  in compliance with a permit authorizing the movement of the vehicle issued by the department or a political subdivision of this state.

SECTION 12.  The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 13.  Sections 162.110 and 162.211, Tax Code, as amended by this Act, apply to a license issued to a motor fuel transporter, regardless of whether the license was issued before, on, or after the effective date of this Act.

SECTION 14.  This Act takes effect September 1, 2025.