

BILL ANALYSIS

Senate Research Center
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S.B. 1836
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Section 162.356(a)(11), Tax Code, exempts compressed natural gas (CNG) or liquefied natural gas (LNG) used in a motor vehicle that provides transit company services from the motor fuel tax under certain circumstances. S.B. 1836 would allow transit authorities operating under this exemption in Section 162.356 to use their CNG and LNG fueling facilities to refuel vehicles for other exempt governmental entities listed in Section 162.356. An entity would need to be exempt under Section 162.356, and an interlocal agreement would be made with the governmental entity to provide refueling services in emergencies and other exigent circumstances.

S.B. 1836 would not allow any other user to obtain refueling services at the facility, so it still would be restricted only to exempt users thereby eliminating concerns by the state that a fueling facility not set up with an account to collect the taxes would serve other vehicles that would be subject to tax.

As proposed, S.B. 1836 amends current law relating to the use of certain tax-exempt compressed natural gas and liquefied natural gas refueling facilities under certain circumstances.

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 162.356(b), Tax Code, as follows:

(b) Provides that the exemption provided by Subsection (a)(11) (relating to providing that a certain tax does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a motor vehicle that meets certain criteria) does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a motor vehicle from a refueling facility accessible to motor vehicles other than:

(1) creates this subdivision from existing text and makes a nonsubstantive change;
or

(2) motor vehicles exempt from the tax imposed by Subchapter D-1 (Compressed Natural Gas and Liquefied Natural Gas Tax) under another provision of Subsection (a) (relating to providing that a certain tax does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of certain motor vehicles), if use of the refueling facility by those vehicles is limited to emergencies and other exigent circumstances as provided by an interlocal agreement under Chapter 791 (Interlocal Cooperation Contracts), Government Code.

SECTION 2. Effective date: upon passage or September 1, 2023.