

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB797 by Lucio III (Relating to exempting fuel ethanol derived from cellulosic biomass and blended with gasoline from the motor fuels tax.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 162 of the Tax Code, regarding the motor fuel taxes, to exempt the volume of fuel ethanol derived from cellulosic biomass and blended with gasoline from the tax on gasoline.

Information provided by the State Energy Conservation Office of the Comptroller's Office indicates that although the cellulosic technology to create cellulosic ethanol would be available today, scientists must continue to work through technical hurdles before it could be marketed at competitive prices. The general consensus was that cellulosic ethanol technology would be commercialized within 5 to 10 years.

The bill would become effective September 1, 2009.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK