

BILL ANALYSIS

C.S.H.B. 1509
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 1992, the Texas Legislature, through the Texas Department of Health, divided the state into 22 trauma service areas and established regional advisory councils (RACs). RACs are nonprofit organizations comprised of hospitals, trauma facilities, and EMS providers that play a vital role in preparing for and responding to disasters. RACs often purchase or rent disaster and emergency response vehicles and trailers as a part of carrying out their mission. Because RACs are nonprofit emergency response organizations and these vehicles are primarily purchased using donations and state and federal grants, it is reasonable to exempt these vehicles and trailers from motor vehicle sales tax and vehicle license registration fees.

C.S.H.B. 1509 exempts disaster and emergency response vehicles and trailers purchased or rented by a RAC from the motor vehicle sales tax, as well as from vehicle title and registration fees.

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

C.S.H.B. 1509 amends the Tax Code to exempt the purchase, rental, or use of a motor vehicle that is used by a trauma service area regional advisory council exclusively for emergency services, including disaster response services, from taxes on the sale, rental, and use of motor vehicles. The bill provides that the tax that would have been remitted on gross rental receipts without such an exemption is considered to have been remitted for the purpose of calculating the minimum gross rental receipts tax.

C.S.H.B. 1509 amends the Transportation Code to authorize a vehicle, trailer, or semitrailer to be registered without payment if the vehicle, trailer, or semitrailer is owned or leased by a trauma service area regional advisory council and is used exclusively to provide emergency services, including disaster response services. The bill requires an application for such a registration to include a statement signed by an officer of the council that the vehicle, trailer, or semitrailer is used exclusively for emergency services, including disaster response services, by members of the council. The bill requires the Texas Department of Transportation to approve the application for registration.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1509 differs from the original in that the substitute's effective date is on passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009, whereas the original's effective date is September 1, 2009.