

BILL ANALYSIS

C.S.H.B. 3229
By: Cyrier
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns that providing life-saving emergency medical services to rural communities has become more challenging because the costs of providing those services have increased at a time when the levels of uncompensated care have also increased. Unlike providers in urban areas, providers in rural areas cannot compensate for these increasing costs with increased volume. For these reasons, the parties explain, many rural counties, municipalities, and emergency services districts do not have adequate funding or expertise to provide emergency ambulance service to their communities and instead choose to contract with private ambulance companies. Counties, the parties note, are often forced to subsidize private companies even as the price to do so increases regularly.

In addition, the parties assert that it has become increasingly difficult to attract reputable private ambulance companies to rural communities and that some counties have no ambulances stationed within the county. The parties note that if those rural communities were to choose to provide emergency medical services themselves, motor vehicle taxes for certain emergency services vehicles would not be required. The parties assert that extending that tax exemption to non-governmental entities who are contracted to provide such services would help attract private ambulance services to rural communities. C.S.H.B. 3229 seeks to address the application of the motor vehicle sales tax exemption for the purchase, rental, or use of certain emergency services vehicles by certain entities.

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

C.S.H.B. 3229 amends the Tax Code to include an emergency medical services chief or supervisor vehicle among the emergency services vehicles the purchase, rental, or use of which is exempt from taxes imposed on the sale, rental, or use of motor vehicles when purchased by certain entities. The bill includes among such entities an entity that has an agreement with a local governmental entity to provide emergency ambulance services.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3229 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 152.087, Tax Code, is amended to read as follows:

Sec. 152.087. FIRE TRUCKS AND EMERGENCY MEDICAL SERVICES VEHICLES. The taxes imposed by this chapter do not apply to the purchase, rental, or use of a fire truck, emergency medical services vehicle as defined by Section 773.003, Health and Safety Code, ambulance, emergency medical services chief or supervisor vehicle, or other motor vehicle used exclusively for fire-fighting purposes or for emergency medical services when purchased by:

- (1) a volunteer fire department;
- (2) a nonprofit emergency medical service provider that receives a federal income tax exemption under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3), Internal Revenue Code of 1986; [øf]
- (3) an entity that has an agreement with a local governmental entity to provide emergency ambulance services; or
- (4) an emergency medical service provider to which Section 502.456, Transportation Code, applies.

No equivalent provision.

SECTION 2. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 152.087, Tax Code, is amended to read as follows:

Sec. 152.087. FIRE TRUCKS AND EMERGENCY MEDICAL SERVICES VEHICLES. The taxes imposed by this chapter do not apply to the purchase, rental, or use of a fire truck, emergency medical services vehicle as defined by Section 773.003, Health and Safety Code, emergency medical services chief or supervisor vehicle, or other motor vehicle used exclusively for fire-fighting purposes or for emergency medical services when purchased by:

- (1) a volunteer fire department;
- (2) a nonprofit emergency medical service provider that receives a federal income tax exemption under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3), Internal Revenue Code of 1986; [øf]
- (3) an emergency medical service provider to which Section 502.456, Transportation Code, applies; or
- (4) an entity that has an agreement with a local governmental entity to provide emergency ambulance services.

SECTION 2. The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 3. Same as introduced version.