

## **BILL ANALYSIS**

S.B. 724  
By: Perry  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties suggest that private school bus companies provide a cost-effective service to school districts across Texas and note that for many years these companies have benefited from certain exemptions, including a motor vehicle sales and use tax exemption, the savings from which are often passed down to the school districts using their companies' services. The parties contend, however, that a lack of clarity in the law has led to the imposition of that tax in recent years. S.B. 724 seeks to clarify the law to prevent the cost associated with the motor vehicle sales and use tax from being passed on to school districts that use private school bus service.

### **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**

S.B. 724 amends the Tax Code to clarify that the sale or use of a motor vehicle is exempt from taxes on the sale, rental, and use of a motor vehicle if the vehicle is operated with a license plate issued to the owner of a vehicle exempted from payment of vehicle registration fees and is for use by a commercial transportation company to provide transportation services under a contract with a board of county school trustees, school district board of trustees, or the governing body of an open-enrollment charter school.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.