

## **BILL ANALYSIS**

H.B. 3599  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Nonprofit food banks operate year-round to provide food access to individuals and families in need across Texas. In order to provide statewide emergency food items, including frozen food, refrigerated, and shelf-stable items, nonprofit food banks must purchase and operate fleets of motor vehicles solely dedicated for transportation and delivery. Specific state transportation-related costs such as motor fuel taxes and vehicle registration fees have a significant impact on food bank expenses. In the past three years, with almost 600 food bank trucks operating in the Feeding Texas Network, the network reports that its nonprofit food banks have spent over \$2 million on transportation-related costs. These exorbitant expenses can unduly burden logistical operations of food banks and compromise resourcefulness. H.B. 3599 seeks to provide an exemption from motor fuel taxes for a nonprofit food bank's trucks with a minimum gross vehicle weight of 25,000 pounds used to deliver food or for a storage facility from which gasoline will be delivered into the fuel supply tanks of the nonprofit food bank's trucks.

### **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**

H.B. 3599 amends the Tax Code to exempt from the gasoline tax and the diesel fuel tax the applicable motor fuel sold to a nonprofit food bank and delivered into:

- the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food; or
- a storage facility from which gasoline will be delivered solely into the fuel supply tanks of such motor vehicles.

The bill defines "nonprofit food bank" as a nonprofit entity that solicits, stores, and redistributes edible food to agencies that feed needy families and individuals.

H.B. 3599 authorizes the holder of an applicable license to take a credit on a return for the period in which a sale occurred for which the license holder paid tax on the purchase of gasoline or diesel fuel and subsequently resold the fuel without collecting the applicable tax to a nonprofit food bank that delivers or will deliver the fuel into the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food.

H.B. 3599 entitles a nonprofit food bank to, and authorizes a nonprofit food bank to file a claim with the comptroller of public accounts for, a refund in the amount equal to the amount of gasoline tax and diesel fuel tax paid for gasoline or diesel fuel delivered into the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food. The bill sets the amount of the refund at the amount of the tax paid for the gasoline or diesel fuel that qualifies for the refund and is purchased by the nonprofit food bank. The bill requires a nonprofit food bank requesting a refund to maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request. These provisions and the rest of the bill's Tax Code provisions do not affect tax liability accruing before the bill's effective date.

H.B. 3599 amends the Transportation Code to authorize the owner of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is used by a nonprofit food bank to deliver food to apply for registration under the authority of provisions providing for the registration of vehicles exempt from registration fees and to exempt the owner from the payment of the registration fee that would otherwise be required under state law. The bill requires an application for registration of such a vehicle to include a statement by the owner of the vehicle that the vehicle is used by a nonprofit food bank to deliver food and a statement signed by an officer of the nonprofit food bank that the vehicle has been used by a nonprofit food bank to deliver food and qualifies for registration as provided by these provisions. These provisions apply only to an application for registration submitted on or after the bill's effective date.

#### **EFFECTIVE DATE**

September 1, 2023.