

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 4226
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Finance
5/21/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas food banks play a critical role in ensuring food security for families across our state. H.B. 4226 directly supports this vital work by exempting nonprofit food banks from vehicle sales taxes for vehicles used specifically for food distribution and rescue operations, including refrigerated trucks, meal delivery vans, and mobile pantries. This bill allows crucial resources to be reinvested directly into hunger relief efforts.

- Nonprofit food banks serve all 254 Texas counties. Since 2022, Texas food banks have spent approximately \$816,016 on vehicle sales taxes, significantly limiting their operational capacities and outreach efforts.
- For every \$1 saved, food banks can provide three nutritious meals to individuals and families in need. Savings from this bill allow for expanded services, increased equity in food access, and stronger community engagement across urban, suburban, and rural areas.
- Cost savings translate directly into increased food security for Texas families, significantly reducing family financial stress and nutritional insecurity.
- Similar exemptions are already granted to religious organizations, nonprofit emergency services, and Texas agriculture and timber producers.
- Texas Department of Motor Vehicles and the Comptroller of Public Accounts of the State of Texas have reviewed this bill and expressed no concerns, highlighting its sensible policy design and minimal state fiscal impact.
- The Houston Food Bank, the largest distributing food bank in the nation, annually provides over 150 million meals across 18 counties through a fleet of 170 trucks making 400 daily trips.

Texas has a proud tradition of supporting charitable and nonprofit endeavors to strengthen community resilience and health. H.B. 4226 continues this tradition, providing targeted relief that will profoundly impact food banks' ability to serve Texans facing hunger.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 4226 amends current law relating to exemptions from the taxes imposed on the sale, use, or rental of a motor vehicle for a vehicle purchased, used, or rented by a nonprofit food bank or a provider of housing and related services.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 152, Tax Code, by adding Sections 152.094 and 152.095, as follows:

Sec. 152.094. MOTOR VEHICLES USED BY NONPROFIT FOOD BANK. Provides that the taxes imposed by Chapter 152 (Taxes on Sale, Rental, and Use of Motor Vehicle) do not apply to the sale, use, or rental of a motor vehicle that is purchased, used or rented by a nonprofit food bank, as defined by Section 162.001 (Definitions) and used primarily by the nonprofit food bank for the food bank's purpose.

Sec. 152.095. MOTOR VEHICLES USED BY PROVIDER OF HOUSING AND RELATED SERVICES. (a) Provides that the taxes imposed by this chapter do not apply to the sale, use, or rental of a motor vehicle that is purchased, used, or rented by a provider of housing and related services and used primarily to provide housing for individuals at a location owned or controlled by the provider.

(b) Defines "provider of housing and related services."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.