

- SUBJECT:** Motor vehicle tax exemption for disaster response vehicles
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 10 ayes — Oliveira, Otto, Bohac, Hartnett, Hilderbran, C. Howard, P. King, Paxton, Taylor, Villarreal
- 0 nays
- 1 absent — Peña
- WITNESSES:** For — David Rives, Southeast Texas Trauma Regional Advisory Council; Dinah Welsh, Texas EMS, Trauma, and Acute Care Foundation; (*Registered, but did not testify:* David Ferguson; Lucille Maes, Susan Neel, East Texas Gulf Coast Trauma Advisory Council)
- Against — None
- BACKGROUND:** Trauma Service Area Regional Advisory Councils were created in 1992 through grants from the Texas Department of Health. They are non-profit organizations that include hospitals, trauma facilities, and other EMS providers.
- Tax Code, ch. 152 imposes taxes on the sale, rental, or other use of motor vehicles. Subchapter E establishes exemptions to motor vehicle taxes, including for the purchase, rental, or use of a fire truck or emergency medical services (EMS) vehicle, or similar vehicles purchased by volunteer fire departments or nonprofit EMS organizations.
- Transportation Code, sec. 502.204 permits EMS vehicles owned by local governments or nonprofit entities to be registered without payment, if the vehicle is exclusively used for emergency medical services.
- DIGEST:** HB 1509 would exempt vehicles purchased, rented, or otherwise used by Trauma Service Area Regional Advisory Councils (RACs) from motor vehicle taxes, provided the vehicles would be used exclusively for emergency services, including disaster response. Any taxes on gross rental receipts would be considered to have been remitted for the purpose of calculating the minimum gross rental receipts tax.

The bill also would allow RACs to register the emergency services vehicles without payment, provided the vehicles would be used exclusively for emergency services. A RAC officer would have to sign a statement that the vehicle would be used exclusively for those purposes, and the Texas Department of Transportation would have to approve the registration application.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

Fire departments and EMS units currently receive a motor vehicle tax exemption, which should be extended to trauma service areas. The ability of Trauma Service Area RACs to rent or purchase vehicles is critical to ensuring that citizens receive trauma care, including during a disaster, and also reduces the need to devote ambulances and other resources to these efforts. However, sales taxes and other vehicle fees can be prohibitive to these groups and may force them either to forgo purchasing or renting one or to use funds that would have been expended elsewhere. According to the Legislative Budget Board, any state or local tax revenue lost through the exemption would not be significant, and should be outweighed by the services these RACS provide.

**OPPONENTS
SAY:**

Exempting taxes and waiving registration fees for the Regional Advisory Councils could result in some revenue loss for the state and for local governments.

NOTES:

The committee substitute differs from the filed bill by adding an immediate effect provision.