

BILL ANALYSIS

Senate Research Center
86R1936 GRM-D

H.B. 791
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Finance
5/3/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, what constitutes a volunteer fire department is not defined in statute as it relates to certain motor fuel tax exemptions. H.B. 791 seeks to clearly define a volunteer fire department for that purpose.

Volunteer fire departments have drastically changed over the last decade. Some are strictly volunteer, operating outside of a municipal structure, while others are able to offer some compensation to those citizens volunteering. Regardless if a department is part-paid or not, the operating costs of providing this public service remain a burden. While some departments are able to absorb this, many are not.

H.B. 791 includes part-paid fire departments in addition to wholly volunteer departments in the definition of the broader term "volunteer fire department" as it relates to eligibility for a motor fuel tax exemption or refund.

H.B. 791 amends current law relating to the definition of volunteer fire department for purposes of certain motor fuel tax exemptions.

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 Section 162.001, Tax Code, by adding Subdivision (63) to define "volunteer fire department" to mean a fire department operated by its members, including a part-paid fire department composed of at least 50 percent volunteer firefighters, that is operated on a not-for-profit basis, including a department that is exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c)(3) or (4) of that code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2019.