

## A RESOURCE FOR IMPROVING MEASURABLE IMPACT

# Supplemental Nutrition Assistance Program (SNAP): Vehicle Value Limits

**SNAP is a federal program that provides nutrition benefits to supplement the food budget of low-income families so they can purchase healthy food and move towards self-sufficiency. (1,2)**

**Vehicle Asset Test is used to determine SNAP eligibility by placing limits on the value of the vehicles households may own. (3)**

**Vehicle asset limit for first vehicle is \$15,000 (updated in 2001), and any additional vehicles cannot exceed a value of \$4,650 (set in 1973). (4)**



Texas has two resource limits: (1) applicants' liquid resources and (2) the value of any vehicles owned by the individual. (5)



The limits do not consider the equity that the applicant has in the vehicle, only the vehicle's fair market value (FMV). (4)

Texas is one of 8% of states that does **not** exempt the value of at least one vehicle in determining SNAP eligibility. (6,7) **Thirty-seven states exclude the value of all vehicles** owned by the applicant. (7)

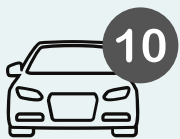
### Cars that meet the SNAP Eligibility range tend to: (8)



**Be less reliable**



**Have higher mileage**



**Be approximately ten or more years old**



**Be second-hand cars**

★ **Transit deserts** are considered areas that have high demand for transportation services, but few resources to provide public transportation. (9)

★ A recent study examining public transportation across five Texas cities (Austin, Dallas, Fort Worth, Houston, and San Antonio) found that the cities had public transportation services near the center of the city, but fewer transportation services toward the outskirts of town. (9)



**Due to a lack of widespread public transportation in Texas, most people in Texas require a reliable vehicle to get to work. As of 2018, Texas ranks 15th in states with the longest commutes to work (over 26 minutes each way). (10)**

## Vehicle Value Limits and Monthly Income by Family Size

Asset value limit <sup>5</sup>	
Liquid resources (cash, money in bank accounts, savings certificates, stocks or bonds).	\$5,000
First vehicle	\$15,000 FMV**
All other vehicles, total value	\$4,650 FMV**

\*\*The limits do not consider the equity that the applicant has in the vehicle, only the vehicle's fair market value (FMV).

Family size	Monthly gross income amount allowed <sup>11</sup>
1	\$1,775
2	\$2,396
3	\$3,020
4	\$3,644
5	\$4,268
For each person, add:	\$625

### Background

- In Texas, approximately 79% of Supplemental Nutrition Assistance Program (SNAP) recipients live in households with children, compared to 66% of SNAP participants in the U.S. (2,12)
- More than 27% of SNAP recipients in Texas live in households with seniors or people with disabilities. (13)
- Currently, more than 3.4 million Texans use SNAP, representing 1.6 million households. This translates to 1 in 9 Texans. (13)
- More than half of all SNAP recipients in Texas live in families where at least one member works full time. (2,12)
- While each state determines the eligibility requirements for its residents, the federal government provides 100% of SNAP funding. Administrative program costs are split equally between the federal government and the state. (13)
- SNAP has been shown to reduce poverty and food insecurity. This reduction has improved health and economic outcomes, especially for children who receive SNAP. (1,5)

### Key Texas Findings on SNAP Eligibility

- Vehicle asset limits prevent many otherwise eligible applicants from qualifying for SNAP benefits. (14,15)
- The vehicle asset limit increases the workload of state employees who determine SNAP eligibility because they must collect vehicle ownership information from each applicant and research the FMV of each vehicle. (14,15)
  - This increased workload leads to increased administrative expenses of the program, the costs of which are borne by the state. (14,15)

### Recommendations for Improving SNAP Vehicle Value Limits

1. Increase the limit on vehicle value so that working households can have reliable transportation without losing their SNAP eligibility. (7)
2. Support changes to eligibility guidelines to increase the number of families eligible for SNAP's 100% federally funded benefits. (7)

## Summary

SNAP is a proven program to combat food insecurity and poverty and improve child outcomes. (1,2) Asset limits, especially vehicle value limits, create a significant barrier for otherwise eligible families, and two-parent households are disproportionately affected by the vehicle asset test. (4,8) The expansion of SNAP would benefit many vulnerable Texans, reduce poverty and food insecurity, and improve the economic and health outcomes of children who receive SNAP benefits. (7) By leveraging SNAP benefits through innovative programs, Texas policymakers can stretch the benefit of federal funding for SNAP, further benefitting low-income Texans.

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