

SUBJECT: Revising emergency services and rural fire prevention districts

COMMITTEE: County Affairs — committee substitute recommended

VOTE: 7 ayes — Ramsay, G. Lewis, Brown, Chisum, Krusee, Salinas, Shields
0 nays
2 absent — Farabee, Hilderbran

WITNESSES: For — Ken Campbell, Safe-D, Travis County Emergency Services District #10, #9, and #3; John J. Carlton, Texas State Association of Fire and Emergency Districts; Michael Chessmore, Northwest Hays County Rural Fire Prevention District #4; North Hays County Volunteer Fire Department; Ted Regnier, Volunteer Firemen's Insurance Service; Fred Windisch
Against — None

BACKGROUND: In its October 2000 interim report, the House Urban Affairs Committee recommended legislation to improve and make uniform the statutes authorizing emergency services districts (Health and Safety Code, chapter 775 and 776) and rural fire prevention districts (chapter 794). The committee's recommendations included improving districts' long term financing ability, increasing their flexibility to incur debt, streamlining districts' ability to merge or exchange territory, and making the districts' authorizing statutes more uniform.

DIGEST: CSHB 2744 would revise the authority of an emergency services district or rural fire prevention district to increase maximum tax rates, transfer territory between districts, and borrow money to purchase equipment or real property.

A district could hold an election to increase the maximum tax rate of the district to the maximum set by Art. 3, sec. 48-e of the Texas Constitution, rather than specifying 10 cents per \$100 of property valuation in the district.

After a public hearing, a district could add territory from another district if both districts agreed and the original district's maximum tax rate did not

exceed the rate for the added territory. The annexing district would have to compensate the other district for the territory's share of the district's total debt.

A district could pledge tax revenues, real property, or equipment for a loan to purchase real property or equipment. A tax revenue-supported loan would have to mature within 10 years for equipment or 20 years for real property.

The 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, 2001. Any proceedings to create a district that already was performing the functions of a district on that date would be validated and the district would be created. The bill would not apply to the creation of a district if the matter was or had been in litigation and ultimately held invalid on final judgment.

NOTES:

The substitute made several changes to the original, including adding the ability to increase maximum tax rates to the maximum set by the Constitution rather than 10 cents per \$100 of property valuation.