

## **BILL ANALYSIS**

Senate Research Center

H.B. 2744  
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Intergovernmental Relations  
5/11/2001  
Engrossed

### **DIGEST AND PURPOSE**

During the most recent interim, the House Committee on Urban Affairs (committee) researched whether emergency services districts (ESD) and rural fire prevention districts (RFPD) are able to provide the highest quality services under current statutory requirements. Testimony indicated that ESDs and RFPDs need greater flexibility in structuring districts to provide fire protection and emergency services. After studying the procedural, geographical, and economic problems faced by ESDs and RFPDs, the committee recommended authorizing ESDs and RFPDs to exchange territory and expand their power to borrow money. H.B. 2744 enacts these recommendations.

### **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 775.018(a), Health and Safety Code, to amend provisions regarding the application of a tax rate.

SECTION 2. Amends Sections 775.024(a) and (b), Health and Safety Code, to amend provisions regarding the application of a tax rate.

SECTION 3. Amends Chapter 775E, Health and Safety Code, by adding Section 775.0745, as follows:

Sec. 775.0745. ELECTION TO INCREASE TAX RATE. Sets forth provisions regarding an election to increase the tax rate within certain emergency services districts.

SECTION 4. Amends the heading to Chapter 775D, Health and Safety Code, to read as follows:

#### **SUBCHAPTER D. CHANGE IN BOUNDARIES OR DISSOLUTION OF DISTRICT**

SECTION 5. Amends Chapter 775D, Health and Safety Code, by adding Section 775.056, as follows:

Sec. 775.056. TRANSFER OF TERRITORY BETWEEN DISTRICTS. Sets forth provisions regarding the procedure for a change in district boundaries under certain conditions.

SECTION 6. Amends Section 775.071, Health and Safety Code, to amend provisions regarding the limitations on certain districts' contracts for indebtedness.

SECTION 7. Amends Section 775.076(c), Health and Safety Code, to delete existing text regarding the maturation of certain bonds and notes.

SECTION 8. Amends Section 775.085, Health and Safety Code, as follows:

Sec. 775.085. New heading: LOAN FOR REAL PROPERTY OR EMERGENCY SERVICES EQUIPMENT. Amends provisions regarding certain borrowing by a board of emergency services commissioners (board).

SECTION 9. Amends Section 776.019(a), Health and Safety Code, to amend provisions regarding the application of a tax rate.

SECTION 10. Amends Chapter 776D, Health and Safety Code, by adding Section 776.058, as follows:

Sec. 776.058. TRANSFER OF TERRITORY BETWEEN DISTRICTS. Sets forth provisions regarding the procedure for a change in district boundaries under certain conditions.

SECTION 11. Amends Section 776.071, Health and Safety Code, to amend provisions regarding the limitations on certain district's contracts for indebtedness.

SECTION 12. Amends Chapter 776E, Health and Safety Code, by adding Section 776.0755, as follows:

Sec. 776.0755. ELECTION TO INCREASE TAX RATE. Sets forth provisions regarding an election to increase the tax rate within certain emergency services districts.

SECTION 13. Amends Section 776.076(c), Health and Safety Code, to delete existing text regarding the maturation of certain bonds and notes.

SECTION 14. Amends Chapter 776E, Health and Safety Code, by adding Section 776.082, as follows:

Sec. 776.082. LOAN FOR REAL PROPERTY OR EMERGENCY SERVICES EQUIPMENT. Sets forth provisions regarding the borrowing of funds, by a board, on behalf of a district, for certain purposes.

SECTION 15. Amends Section 794.018(a), Health and Safety Code, to amend provisions regarding the application of a tax rate.

SECTION 16. Amends Section 794.0181, Health and Safety Code, to amend provisions regarding an election to increase the tax rate within certain emergency services districts

SECTION 17. Amends Chapter 794D, Health and Safety Code, by adding Section 794.061, as follows:

Sec. 794.061. TRANSFER OF TERRITORY BETWEEN DISTRICTS. Sets forth provisions regarding the procedure for a change in district boundaries under certain conditions.

SECTION 18. Amends Section 794.071, Health and Safety Code, to amend provisions regarding the limitations on certain districts' contracts for indebtedness.

SECTION 19. Amends Section 794.074(i), Health and Safety Code, to provide that this section does not apply to the purchase or lease of real property; an item or service that the board of fire commissioners determines can be obtained from only one source; a contract for fire extinguishment and suppression service, emergency rescue service, or ambulance service; or an emergency expenditure.

SECTION 20. Amends Section 794.074, Health and Safety Code, by adding Subsection (j), to

provide that Subsection (i) does not prohibit the board of fire commissioners from soliciting competitive bids for any item, service, or contract listed in Subsection (i).

SECTION 21. Amends Section 794.076(c), Health and Safety Code, to delete existing text regarding the maturation of certain bonds and notes.

SECTION 22. Amends Section 794.083, Health and Safety Code, as follows:

Sec. 794.083. New heading: LOAN FOR REAL PROPERTY OR FIRE-FIGHTING EQUIPMENT. Amends provisions regarding certain borrowing by the board of fire commissioners.

SECTION 23. Repealer: (1) Section 775.0742, Health and Safety Code;

(2) Sections 775.076(e), (f), and (g), Health and Safety Code;

(3) Section 775.079, Health and Safety Code;

(4) Section 775.080, Health and Safety Code;

(5) Section 775.081, Health and Safety Code;

(6) Sections 776.076(e), (f), and (g), Health and Safety Code;

(7) Section 776.079, Health and Safety Code;

(8) Section 776.080, Health and Safety Code;

(9) Section 776.081, Health and Safety Code;

(10) Sections 794.076(e), (f), and (g), Health and Safety Code;

(11) Section 794.079, Health and Safety Code;

(12) Section 794.080, Health and Safety Code; and

(13) Section 794.081, Health and Safety Code.

SECTION 24. Provides that this Act does not impair any obligation created by the issuance of bonds, notes, or other obligations in accordance with prior law, and all bonds, notes, or other obligations validly issued under provisions revised or repealed remain valid, enforceable, and binding according to their terms and requires them to be paid from the sources pledged to their payment. Authorizes bonds, notes, or other obligations authorized but unissued on the effective date of this Act to be issued in compliance with and subject to the provisions of the prior law.

SECTION 25. (a) Provides that all acts and proceedings taken under Chapter 775 or Chapter 776, Health and Safety Code, to create an emergency services district that is performing the functions of a district on the effective date of this Act are validated, and creation of the district is confirmed.

(b) Provides that this section does not apply to a matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the creation of the district being held invalid by a final judgment of a court or has been held invalid by a final judgment of a court.

SECTION 26. Effective date: upon passage or September 1, 2001.