

## **BILL ANALYSIS**

Senate Research Center  
81R4548 SJM-D

S.B. 653  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Emergency service districts (districts) are political subdivisions established by local voters for the purpose of protecting life and property through the provision of emergency rescue, ambulance, and fire fighting services. The board members of a district are referred to as commissioners. In order to fund the important services they provide, districts are authorized to raise money through ad valorem taxes on all real property located within the district. Some districts use sales taxes also to help fund the district.

Current law requires a board of emergency services commissioners (board) to file a report regarding the district's administration for the preceding calendar year, its financial condition, and an audit report regarding its fiscal accounts and records. However, no entity is authorized to take action against a district if the reports are not completed. Further, there is no accountability regarding a district's decision to change the ad valorem tax rate collected to fund certain services.

As proposed, S.B. 653 requires the board of an emergency services district to provide certain reports to a county commissioners court and authorizes the county commissioners courts to vote to remove one or more board members if the board has failed to file certain required reports or audits within a certain time frame. It also requires the board to file with certain commissioners courts a written petition to change the ad valorem tax rate. The bill modifies certain requirements and notifications relating to hiring persons to provide professional services.

### **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 775.036(a), Health and Safety Code, to require the board of emergency services commissioners (board), in addition to holding meetings and keeping records, to give a quarterly written report to the commissioners court including the preceding quarter's administration and operation practices, annual budget information, proposed annual tax rate information, debt services, financial standing, hiring practices for acquiring certain external personnel, and external audit results. Deletes existing text relating to giving the commissioners court a written report not later than February 1 of each year regarding an emergency service district's (district) administration for the preceding calendar year and the district's financial condition.

SECTION 2. Amends Subchapter C, Chapter 775, Health and Safety Code, by adding Section 775.039, as follows:

Sec. 775.039. NOTIFICATION OF HIRING PRACTICES BY COMMISSIONERS COURT. Prohibits a district from hiring a person to provide professional services for the district, including audit, financial, or legal services unless the board first informs the commissioners court of the county in which the district is located of the practices the district will use to hire the person. Requires the board, if the district is located in more than one county, to inform the commissioners court of each of the counties in which the district is located of the practices the district will use to hire the person.

SECTION 3. Amends Subchapter C, Chapter 775, Health and Safety Code, by adding Section 775.0422, as follows:

**Sec. 775.0422. REMOVAL OF APPOINTED BOARD MEMBER BY COMMISSIONERS COURT FOR FAILURE TO GIVE REPORT OR FILE AUDIT.**

(a) Provides that this section applies only to an appointed member of a board. Provides that this section does not apply to a member of a board who is elected or is appointed to fill a vacancy in an elected commissioner's position.

(b) Authorizes the commissioners court of the county in which a district is located, except as provided by Subsection (c), to remove one or more board members by majority vote if the board has failed to give the report required in Section 775.036(a)(4) (relating to the requirement of the board to give a written report), or file the audit report required by Section 775.082(b) (relating to when a district is required to prepare and file an audit report) with, the commissioners court before the 91st day after the date the report or audit was due under those sections.

(c) Authorizes a member of the commissioners court, if a board member was appointed by a single member of the commissioners court, to unilaterally remove the board member for a cause listed under Subsection (b). Authorizes the commissioners court, if the member of the commissioners court does not remove the board member and cause for removal exists under Subsection (b), to remove the board member by majority vote. Authorizes the board member, if the member of the commissioners court that appointed a board member is no longer a member of the commissioners court, to be removed by majority vote of the existing members of the commissioners court.

(d) Provides that before the 60th day after the date the report or audit was due, as appropriate, each commissioners court seeking removal under this section is required to notify the board that it is considering that action, or each member of the commissioners court seeking removal of a particular board member under this section is required to notify the board member that the member of the commissioners court is considering that action.

(e) Requires each commissioners court, for a district located in more than one county, to vote for a removal under this section that requires the vote of a majority of a commissioners court.

(f) Provides that the validity of a board action is not affected because it is taken when a ground for removal of a commissioner exists.

SECTION 4. Amends the heading of Section 775.042, Health and Safety Code, to read as follows:

**Sec. 775.042. REMOVAL OF BOARD MEMBER BY BOARD.**

SECTION 5. Amends Section 775.074(d), Health and Safety Code, to require the board, before a board is authorized to change the ad valorem tax rate of a district, to obtain the approval of the commissioners court of a county in which the district is located as provided by Section 775.0743. Requires the board, if the district is located in more than one county, to obtain the approval of the commissioners court of each of the counties in which the district is located.

SECTION 6. Amends Subchapter E, Chapter 775, Health and Safety Code, by adding Section 775.0743, as follows:

**Sec. 775.0743. APPROVAL OF CHANGE IN AD VALOREM TAX RATE BY COMMISSIONERS COURT.** (a) Requires a board, to obtain a commissioners court's approval of a proposed change in an ad valorem tax rate, to file with each of the commissioners courts required under Section 775.074(d) (relating to establishing the rate of the ad valorem tax) a written petition to change the ad valorem tax rate. Requires that

the petition include the name of the district, the names of the members of the board, the proposed change in the district tax rate, and the reasons for changing the tax rate.

(b) Requires the commissioners court to approve or deny the petition before the 31st day after the date the court receives the petition. Provides that if on the 31st day after the date the petition is filed the commissioners court has not approved or disapproved the petition, the petition is considered to be approved by the commissioners court and the board is authorized to certify the proposed tax rate to the county tax assessor-collector under Section 775.074(e) (relating to the board certifying the ad valorem tax rate).

SECTION 7. Requires the board to submit an initial quarterly report required under Section 775.036(a), Health and Safety Code, as amended by this Act, not later than February 1, 2010.

SECTION 8. Provides that Section 775.0422, Health and Safety Code, as added by this Act, applies only to a report or audit due on or after the effective date of this Act.

SECTION 9. Effective date: upon passage or September 1, 2009.