

- SUBJECT:** Assistance for rural volunteer fire departments
- COMMITTEE:** Agriculture and Livestock — committee substitute recommended
- VOTE:** 6 ayes — Swinford, McReynolds, B. Brown, Christian, Green, C. Jones  
1 nay — Hupp  
2 absent — Crownover, Hardcastle
- WITNESSES:** For — Mike Fischer, Texas Rural Fire Advisory Council; Mark Stinson, Bastrop County Firefighters Association  
Against — None  
On — Terry Turner, Office of the Comptroller of Public Accounts; Bobby Young, Texas Forest Service
- BACKGROUND:** Texas' 1,800 volunteer fire departments and 40,000 volunteer fire fighters receive no direct funding from the state. Their primary sources of funding are fundraisers, private donations, and county tax dollars.
- DIGEST:** CSHB 2107 would add subchapter F to Government Code, chapter 614, creating the Rural Volunteer Fire Department Assistance Program. The Texas Forest Service (TFS) would administer this program, and the TFS director could adopt rules necessary to help rural volunteer fire departments pay for equipment and training of personnel. TFS could employ staff to administer the program.  
  
The bill would define a volunteer fire department as one that operates on a not-for-profit basis, including one that is exempt from federal income tax under sec. 501(c)(3) of the Internal Revenue Code.  
  
The bill would create an account in general revenue dedicated to the rural volunteer fire department assistance fund. The fund would include money collected from a new 2 percent surtax on the sale of fireworks and money contributed from any other source.

CSHB 2107 would amend the Tax Code by adding chapter 161, imposing a new tax of 2 percent on retail sales of fireworks in addition to existing sales taxes. Fireworks retailers would collect the additional tax and submit it to the comptroller, who would allocate the revenue, other than penalties and interest, to the rural volunteer fire department assistance fund.

Volunteer fire departments could use money from the fund to pay for equipment and training of personnel. The TFS director could grant no funding assistance before September 1, 2000. Administrative costs of the program could not exceed 7 percent of the total revenue from the fireworks tax during the previous fiscal year.

The TFS director would have to appoint an advisory committee to help administer the program. The committee would include two members of the Texas Rural Fire Advisory Council, two elected county officials, and one elected representative of a town with a population of 10,000 or less. These five members would have to represent the north, south, east, west, and central regions of Texas.

The TFS director, in consultation with the advisory committee, would have to establish reasonable criteria and qualifications for distributing money from the fund and a procedure for reporting and processing funding requests.

On receiving a request for assistance from the fund, the director would have to determine whether to provide assistance and the amount to be provided. A written copy of the decision would have to be sent to the requestor and to each member of the advisory committee.

CSHB 2107 would require the TFS director to submit an annual report on the activity, status, and effectiveness of the fund to the lieutenant governor, the House speaker, and the comptroller before September 1 of each year.

The bill would specify that any assistance or benefits provided to a volunteer fire department or volunteer firefighter under this program would not be considered compensation or paid service.

CSHB 2107 would take effect July 1, 1999, if finally passed by a two-thirds record vote of the membership of each house. If the bill passed by a vote smaller than two-thirds, it would take effect October 1, 1999.

SUPPORTERS  
SAY:

CSHB 2107 would provide much-needed funding to volunteer fire departments across the state. These fire departments have been subsisting on donations, bake sales, and barbecue fundraising dinners. Some departments also receive funds from their county governments amounting to \$5,000 per year or less. This bill would supplement greatly the minimal funding now available to volunteer fire departments.

Volunteer fire departments and firefighters are a great asset to Texas, especially since more and more Texans are moving to semirural areas. Most large wildfires in the U.S. occur in rural communities with fewer than 10,000 residents, the target of the assistance proposed by this bill. Overburdened volunteer fire departments serving semirural areas quickly deplete their resources, and CSHB 2107 would help replenish these resources.

Last year alone, 10,000 wildfires blazed through Texas from May 1 through October 30. Volunteer fire departments put out 7,500 of those fires alone. The governor cited the state's thousands of volunteer firefighters as the "real heroes" of this effort.

Under CSHB 2107, funds for assisting volunteer fire departments would come from a 2 percent surtax on firework sales. Fireworks are sold legally only during the two weeks before July 4 and the two weeks before New Year's Day, 28 days in all. Fireworks sales and use generally are banned inside city limits, so most fireworks sale stands are located along county roads. Fireworks generally are set off in rural areas, and if a fire should start, the volunteer fire department is called to respond to it. Revenue from the proposed tax on fireworks would be applied directly to fighting fires caused by the fireworks.

Even the fireworks industry agrees that this small tax is reasonable and would not inhibit buyers. This tax would be imposed only a few days out of the year on a nonessential item. The average fireworks buyer purchases \$20 worth of fireworks and would pay only 40 cents in additional tax.

OPPONENTS  
SAY:

Funds for rural fire departments should come from general revenue. Adding a special tax on certain consumers would be unfair. The sales tax is the most regressive form of tax because it requires the same tax level regardless of the buyer's income. Low-income people would have to pay a greater proportion of their income for fireworks than would higher-income people. Adding the

fireworks surtax would make Texas' tax structure even more regressive.

OTHER  
OPPONENTS  
SAY:

The proposed surtax on fireworks would generate only about \$375,000 to \$450,000 per year. Texas' rural fire departments need many times that amount of funding to buy protective clothing alone. The state should invest more in its everyday heroes and give them the funding they need to keep serving the public and saving property.

NOTES:

The committee substitute added the requirement that the advisory board members represent the five regions of the state and removed exemptions for certain fireworks.

Last session, a similar bill, HB 3210 by Raymond et al., was reported favorably with amendments by the House Ways and Means Committee. It was placed on the General State Calendar but died late in the session.