

- SUBJECT:** Creating an insurance program for rural volunteer fire departments
- COMMITTEE:** Agriculture and Livestock — committee substitute recommended
- VOTE:** 6 ayes — Swinford, McReynolds, Christian, Hardcastle, Miller, Green
0 nays
3 absent — Brown, Hupp, Kolkhorst
- WITNESSES:** For — Chester J. Davis, Texas Pyrotechnic Association; Mike Fisher, Rural Fire Advisory Council; Lisa Ivie Miller, State Firemen’s and Fire Marshal’s Association of Texas; Ted Relnier, Volunteer Fireman’s Insurance Services; *Registered but did not testify:* Randy Cain, Texas Fire Chiefs Association; Jeff Coffee, Rocketman Fireworks

Against — None

On — Bobby Young, Texas Forest Service; *Registered but did not testify:* James Hull, Texas Forest Service
- DIGEST:** CSHB 3667 would establish a rural volunteer fire department insurance program, to be administered by the Texas Forest Service (TFS). To support this program, the bill would create the rural volunteer fire department insurance fund, funded by a tax on retail sales of fireworks.

The TFS director could adopt any necessary rules to help rural fire departments pay workers’ compensation insurance and accidental death and disability insurance. The service could hire staff to administer the program.

The director, in consultation with an advisory committee, would have to establish criteria for distributing money from the fund and procedures for reporting and processing requests for money from the fund. The criteria could not prohibit a volunteer fire department from receiving funds from a political subdivision. The director would have to prepare an annual report on the activity, status, and effectiveness of the fund and submit the report to the lieutenant governor, House speaker, and comptroller.

The rural volunteer fire department insurance fund would be an account in general revenue composed of money collected from the fireworks tax and of contributions. The bill would impose a tax of 2 percent on each retail sale of fireworks. This tax would be in addition to the limited sales, excise, and use tax under Tax Code, chapter 151. The bill would exempt certain pyrotechnic devices from the fireworks tax. The comptroller would have to allocate the revenue from the 2 percent fireworks tax, other than penalties and interest, to the rural volunteer fire department insurance fund.

Requests for assistance from the fund would have to be submitted to the TFS director. On receiving a request, the district would have to determine whether to provide assistance and the amount, if any, based on the criteria developed. A written copy of the decision would have to be sent to the requestor and each member of the advisory committee.

Any assistance provided to a volunteer fire department or volunteer firefighter under the program would not be considered compensation. A volunteer receiving assistance would not be considered to be paid in service of any governing body. The program's administrative costs could not exceed 7 percent of the total revenue collected from the fireworks tax.

The director would have to appoint an advisory committee on program administration. The committee would have to include two members of the Texas Rural Fire Advisory, two elected county officials, and one elected representative of a city with a population of 10,000 or less. One advisory committee member each would have to be appointed from the north, south, east, west, and central regions of Texas.

The bill would take effect July 1, 2001, if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect October 1, 2001. The TFS director could not grant a request for assistance from the fund before September 1, 2002.

NOTES:

The committee substitute added exemptions from the fireworks tax; changed the definition of fireworks to apply to a device as classified by the U.S. Department of Transportation in the Code of Federal Regulations as of September 1, 1999, rather than September 1, 2001; and modified the filed version to conform to the Texas Legislative Council style and format.

According to the fiscal note, the fireworks tax proposed by CSHB 3667 would generate \$847,000 in revenue in fiscal 2002-03.

The companion bill, SB 1346 by Armbrister, was considered in a public hearing by the Senate Finance Committee on April 26 and left pending.