

SUBJECT: Abolishing authority to create rural fire prevention districts

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 7 ayes — Lewis, W. Smith, Casteel, Chisum, Farabee, Flynn, Olivo
0 nays
2 absent — Farrar, Quintanilla

SENATE VOTE: On final passage, April 15 — 31-0

WITNESSES: For — John Carlton, State Association of Fire and Emergency Districts and Travis County Emergency Services District No. 2
Against — None

BACKGROUND: Art. 3, sec. 48-d of the Texas Constitution, adopted in 1949, establishes rural fire prevention districts (RFPDs) and authorizes voters to assess property taxes of up to three cents per \$100 valuation to support these districts. Districts located wholly or partly in Harris County may levy a tax of up to five cents per \$100 valuation.

Art. 3, sec. 48-e, adopted in 1987, allows creation of emergency services districts (ESDs) to provide emergency medical, ambulance, rural fire prevention and control, and other services. Voters in ESDs may assess property taxes of up to 10 cents per \$100 valuation to support district operations. Health and Safety Code, sec. 775.0752 allows an ESD to call an election to impose a sales and use tax of between one-half percent and 2 percent. ESDs also may assess reasonable fees for ambulance and emergency medical services.

According to 2002 data from the Comptroller's Office, Texas has 130 RFPDs in 53 counties and 91 ESDs in 38 counties. Of the state's 254 counties, 76 have RFPDs, ESDs, or both. The 73rd Legislature in 1993 authorized RFPDs to convert to ESDs with voter approval.

DIGEST: SJR 45 would repeal art. 3, sec. 48-d of the Texas Constitution, authorizing the Legislature to create rural fire prevention districts.

The proposal would be presented to the voters at an election on Tuesday, November 4, 2003. The ballot proposal would read: "The constitutional amendment to repeal the authority of the legislature to provide for the creation of rural fire prevention districts."

**SUPPORTERS
SAY:**

SJR 45, in tandem with SB 1021 by Madla, which would convert the state's remaining RFPDs into ESDs, would implement the Senate Intergovernmental Relations Committee's October 2002 interim report recommending that all rural fire prevention districts be ESDs. The report noted a growing trend of voluntary conversion of RFPDs to ESDs, finding that approximately 50 percent of existing ESDs have used the conversion options available to them since 1993. The report also determined that RFPDs find it nearly impossible to provide additional services under their current three-cent cap (except for Harris County's higher five-cent cap). Further, it states that more than 75 percent of RFPDs already tax at the highest limit and do not have local economies that allow for improvement of services without additional revenue. SJR 45 simply would eliminate the option of creating more RFPDs, which SB 1021 will render unnecessary if the governor signs the bill into law.

Most RFPDs are unable to function adequately under the current three-cent cap property-tax cap. Recent terrorist actions and threats have heightened public awareness to public safety risks and have increased fire prevention and emergency services needs. ESDs, by contrast, have greater latitude in setting tax rates and can provide a wider array of services to communities, including firefighting services. SJR 45 in no way would betray the intent of art. 45, sec. 48-d, which was meant to allow rural communities to protect themselves from fire dangers, since they still would have the option of establishing ESDs with much greater flexibility and broader authority.

**OPPONENTS
SAY:**

The transfer of RFPDs to ESDs by SB 1021 would not require the repeal of Art. 3, sec. 48-d, and there is no compelling reason to preclude a community from adopting the lower tax rate of a RFPD. The Legislature should leave rural communities with the option of choosing between a RFPD and an ESD, which they currently enjoy.

SJR 45
House Research Organization
page 3

NOTES: SB 1021 by Madla, which would convert all RFPDs into ESDs, passed the Senate on April 15 and the House on May 16. SB 1021 is not contingent on adoption of SJR 45.