

SUBJECT: Authority of volunteer fire departments to charges fees for some services.

COMMITTEE: County Affairs — Committee substitute recommended

VOTE: 7 ayes — W. Smith, Naishtat, Bolton, Coleman, Farabee, Heflin,
Leibowitz

0 nays

2 absent — Harless, T. Smith

WITNESSES: For — Chris Barron, State Firemen's and Fire Marshal's Association; Ken Campbell, State Association of Fire and Emergency Districts; Kevin MacDonnell, Travis Co, ESD #4; Ted Regnier, Volunteer Firemens Insurance Services (*Registered, but not testifying*: Don Smith, Travis County Fire Control)

Against — None

DIGEST: CSHB 2624 would allow municipalities and counties that contract with volunteer fire departments to charge a fee for emergency services performed by the department in relation to a hazardous material or motor vehicle accident. The fee must be billed to the applicable insurance company of the person for whom the service was performed and paid within a reasonable time, as determined by the municipality or county.

This bill would allow volunteer fire departments that are not contracting emergency services to a county, municipality, or other political subdivision to charge a fee for emergency services performed by the department in relation to a hazardous material or motor vehicle accident. The fee must be billed to the applicable insurance company of the person for whom the service was performed.

The bill also would define a volunteer fire department as one operated by its members, including a partially paid fire department, operates as a non-profit organization, and participates in a firefighter certification program administered:

- under Government Code, sec, 419.071, which concerns training for members of the Texas Commission on Fire Protection;
- by the State Firemen's and Fire Marshals' Association of Texas; or
- by the National Wildlife Coordinating Group.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

**SUPPORTERS
SAY:**

CSHB 2624 would protect volunteer fire departments from going bankrupt. When one of the more than 1,600 volunteer fire departments across the state responds to a hazardous emergency or a motor vehicle accident, it puts itself in grave danger. Caustic substances or an explosion can ruin protective gear, equipment, or vehicles during a response call. It takes only one big accident to bankrupt volunteer departments, which do not currently have the authority to bill insurance companies for damages. In contrast, municipal and county fire departments as well as fire departments in an emergency service district are authorized to bill insurance companies to collect for damages on a service call. This creates an unfair circumstance in which insurance companies are putting volunteer fire departments at peril of closing their doors on the communities they serve. To remedy the situation, the bill would enable volunteer fire departments to bill insurance companies and collect for damages.

**OPPONENTS
SAY:**

Under this bill, if a volunteer fire department contracted services to a municipality or county, it would not be able to bill the insurance company directly since the bill would require the municipality or county to bill on behalf of the department and then provide payment. This bill would not offer the necessary protections to ensure that all funds collected from the insurance settlements would go to the volunteer fire departments. To protect their interests, volunteer fire departments could be forced to cancel all existing contracts and renegotiate with municipalities and counties across the state so they could manage their own billing. At that time, it also is possible that the volunteer fire departments could raise the cost of providing services to those localities. Rather than create additional bureaucracy or risk price increases, this bill should allow all volunteer fire departments, regardless of whether they contract with municipalities or counties, directly to bill insurance companies for damages.

