

BILL ANALYSIS

Senate Research Center
76R10041 BDH-D

H.B. 2107
By: Cook (Armbrister)
Finance
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Engrossed

DIGEST

Currently, fund-raisers and donations supply the primary source of revenue for volunteer fire departments that generally receive less than \$5,000 per year from the county. Although many of the 1,800 volunteer fire departments in the state operate with little or no reserve personnel funds, they respond to over 90 percent of the wildland fires. Establishing a financial assistance program would increase funding sources for these departments. The funds would be used to purchase equipment and train personnel. The Texas Forest Service would administer the program to be funded by a 2 percent sales tax imposed on fireworks. H.B. 2107 would establish the Rural Volunteer Fire Department Assistance Program, and impose a 2 percent sales tax on fireworks.

PURPOSE

As proposed, H.B. 2107 establishes the Rural Volunteer Fire Department Assistance Program to provide financial assistance to volunteer fire departments, and imposes a 2 percent sales tax on fireworks to fund the program.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the director of the Texas Forest Service in SECTION 1 (Section 614.072(a), Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 614, Government Code, by adding Subchapter F, as follows:

SUBCHAPTER F. RURAL VOLUNTEER FIRE DEPARTMENT ASSISTANCE PROGRAM

Sec. 614.071. DEFINITIONS. Defines “director,” “fund,” “program,” “service,” and “volunteer fire department.”

Sec. 614.072. ADMINISTRATION OF PROGRAM. Requires the Texas Forest Service (service) to administer the volunteer fire department assistance program. Authorizes the director of the service (director) to adopt rules necessary to assist rural volunteer fire departments in paying for equipment and training of personnel. Authorizes the service to employ staff to administer the program. Requires the director to consult an advisory committee to take certain action regarding the fund. Requires the director to prepare an annual written report on the activity, status, and effectiveness of the fund and to submit the report to the lieutenant governor, the speaker of the house of representatives, and the comptroller of public accounts, by September 1 each year. Prohibits any of the assistance or benefits provided to a volunteer fire department or a volunteer firefighter from being considered to be in the paid service of any governing body. Prohibits the annual administrative costs from exceeding 7 percent of the total revenue collected from certain taxes.

Sec. 614.073. ADVISORY COMMITTEE. Requires the director to appoint an advisory committee to advise the director in regard to administration of the program. Sets forth the composition of the committee.

Sec. 614.074. REQUESTS FOR ASSISTANCE. Requires a request for assistance to be submitted to the director. Requires the director to determine whether assistance should be provided, in consultation with the advisory committee, and to provide a decision in writing of the

request to the requestor and the committee.

Sec. 614.075. FUND. Establishes that the rural volunteer fire department assistance fund is an account in the general revenue fund and is composed of money collected under Chapter 161, Tax Code, and contributions to the fund from any other source. Requires fund to be used only for a purpose under this subchapter.

SECTION 2. Amends Title 2E, Tax Code, by adding Chapter 161, as follows:

CHAPTER 161. FIREWORKS TAX

Sec. 161.001. DEFINITION. Defines “fireworks.”

Sec. 161.002. FIREWORKS SALES TAX. Imposes a two percent tax on each retail sale of fireworks in addition to any other tax imposed under Chapter 151. Provides that the tax under this chapter does not apply to a sale unless the tax imposed under Chapter 151 applies to the sale.

Sec. 161.003. APPLICATION OF OTHER PROVISIONS OF CODE. Applies the same taxing structure to the tax as a tax imposed under Chapter 151. Provides that a change in law relating to the taxation of the sale of fireworks under Chapter 151 also applies to the tax imposed by this chapter.

Sec. 161.004. ALLOCATION OF TAX. Requires the comptroller to allocate the revenue from tax imposed by this chapter, other than penalties and interest, to the rural volunteer fire department assistance fund established by Section 614.075, Government Code.

SECTION 3. (a) Provides that if this Act receives the required vote for an effective date before the 91st day after the last day of the legislative session, this act takes effective July 1, 1999.

(b) Provides that if this Act does not receive the required vote for an effective date before the 91st day after the last day of the legislative session, this Act takes effect October 1, 1999.

(c) Prohibits the director from granting a request under Chapter 614F, Government Code, before September 1, 2000.

SECTION 4. Emergency clause.
Effective date: upon passage.