

## BILL ANALYSIS

Senate Research Center  
77R4985 KSD-D

S.B. 1346  
By: Armbrister  
Finance  
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As Filed

### DIGEST AND PURPOSE

Currently, Texas has approximately 1,800 volunteer fire departments that are funded primarily by community fundraisers and donations. Those fire departments that do receive funds from county government usually receive less than \$5,000 per year. As a result, many departments operate with little or no reserve personnel, funds, or equipment. As proposed, S.B. 1346 establishes the Rural Volunteer Fire Department Assistance Program, to be administered by the Texas Forest Service, to provide financial assistance to volunteer fire departments in paying for equipment and the training of personnel, and imposes a two-percent fireworks tax on the retail sale of fireworks to fund the program.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the director of the Texas Forest Service of The Texas A&M University System in SECTION 1 (Section 614.072, Government Code)

### 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. (a) Requires the Texas Forest Service (service) to administer the program established under this subchapter and authorizes the director to adopt rules necessary to assist rural volunteer fire departments in paying for equipment and training personnel.

(b) Requires the service to employ staff to administer the program.

(c) Requires the Texas Forest Service director (director) to perform certain functions in consultation with the advisory committee appointed under Section 614.073.

(d) Prohibits the criteria and qualifications for the distribution of money from the fund determined by the director under Subsection (c) from including a prohibition on a volunteer fire department receiving funds from a political subdivision.

(e) Requires the director to prepare an annual written report on the activity, status, and effectiveness of the fund and to submit the report to certain state officials before September 1 of each year.

(f) Prohibits any assistance or benefits provided under this subchapter to a volunteer fire department or a firefighter who is a member of a volunteer fire department from being

considered compensation, and prohibits a firefighter receiving assistance under this subchapter from being considered to be in the paid service of any governing body.

(g) Prohibits administration costs associated with the program during a state fiscal year from exceeding a certain percentage.

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

Sec. 614.074. **REQUESTS FOR ASSISTANCE.** Requires a request for assistance from the fund to be submitted to the director. Requires the director, on receiving a request for assistance, to determine whether to provide assistance and the amount of the assistance to be provided, if any, based on certain criteria. Requires a written copy of the decision to be sent to certain parties.

Sec. 614.075. **FUND.** Provides 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. Authorizes money in the 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.** Provides that a tax is imposed on each sale at retail of fireworks at a rate of two percent of the sale price of the fireworks. Provides that the tax imposed under this chapter is in addition to the tax imposed under Chapter 151. Provides that the tax imposed by 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.** Provides that, except as provided differently by this chapter, the tax imposed by this chapter is administered, imposed, collected, and enforced in the same manner as the tax under Chapter 151; and the provisions of Chapter 151 that are applicable to the sales tax imposed under Subchapter C, Chapter 151, apply to the tax imposed by this chapter. Provides that a change in the 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 taxes imposed by this chapter, other than penalties and interest, to the rural volunteer fire department assistance fund established by Section 614.075 (Fund), Government Code.

SECTION 3. Prohibits the director of the Texas Forest Service from granting a request for assistance under Chapter 614F, Government Code, as added by this Act, before September 1, 2002.

SECTION 4. Effective date: July 1, 2001, or October 1, 2001.