

BILL ANALYSIS

Senate Research Center
79R7521 PB-F

H.B. 2171
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Volunteer Fire Department Motor Vehicle Self-Insurance Program (program) was initially funded with a loan of \$3 million in general revenue with a requirement that it be repaid no later than August 31, 1997, which in turn required the fund to be self-sustaining. The Texas Forest Service used only a portion of the authorized loan and repaid it in full prior to the required due date.

It was recently brought to the attention of the Texas Forest Service that the statute governing the program states that the self-insurance pool will be maintained in the general revenue fund. However, no such fund exists. From its inception, this fund has been maintained in a local depository by the Texas Forest Service. Texas Forest Service understood the reference to the general revenue fund in the enabling legislation to pertain to the \$3 million loan only.

H.B. 2171 changes the language in the statute to indicate that the fund is to be held in a local depository, as authorized by Section 51.003 (Depositories), Education Code.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 5(a) and (c), Article 21.61, Insurance Code, as follows:

- (a) Provides that the volunteer fire department self-insurance fund is an account in a depository selected by the board of regents of The Texas A&M University System in the manner provided by Section 51.003 (Depositories), Education Code, for funds subject to the control of institutions of higher education under Section 51.002 (Funds Subject to Control), Education Code, rather than the general revenue fund.
- (c) Deletes existing text authorizing money to be expended in accordance with legislative appropriation.

SECTION 2. Provides that the maintenance of the volunteer fire department and self-insurance fund, in a depository otherwise allowed by law for funds subject to the control of the Texas A&M University System or the Texas Forest Service, and any act of The Texas A&M University System or the Texas Forest Service relating to maintaining those funds in a depository described by Subdivision (1) of this section are validated and confirmed in all respects.

SECTION 3. Effective date: upon passage or September 1, 2005.