

## **BILL ANALYSIS**

Senate Research Center

H.B. 1096  
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Engrossed

### **DIGEST AND PURPOSE**

Currently, counties and cities can create crime control and prevention districts funded by an increase in the local sales tax, contingent on the approval of the voters. The state authorizes volunteer and rural fire districts. Municipalities do not, however, have the authority to create districts for purposes of fire control, prevention, and emergency medical services. H.B. 1096 establishes the Fire Control, Prevention, and Emergency Medical Services District Act to allow a municipality to establish, on voter approval, a fire control, prevention, and emergency medical services district in all or a portion of the municipality.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the board of directors of a fire control, prevention, and emergency medical services district in SECTION 1 (Sections 344.155, 344.204, and 344.209, Local Government Code), and to the comptroller of public accounts in SECTION 2 (Section 321.106, Tax Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 11A, Local Government Code, by adding Chapter 344, as follows:

#### CHAPTER 344. FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICTS

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 344.001. SHORT TITLE. Authorizes this chapter to be cited as the Fire Control, Prevention, and Emergency Medical Services District Act.

Sec. 344.002. DEFINITIONS. Sets forth definitions within this chapter.

Sec. 344.003. LIABILITY OF STATE. Provides that the state is not obligated for the support, maintenance, or dissolution of a district created under this chapter.

[Reserves Sections 344.004-344.050 for expansion]

##### SUBCHAPTER B. CREATION OF DISTRICT AND TEMPORARY BOARD

Sec. 344.051. AUTHORITY OF MUNICIPALITY TO PROPOSE DISTRICT. Sets forth provisions relating to the authority of a municipality with a certain population size to propose a district and the procedures for such a proposal.

Sec. 344.052. TEMPORARY BOARD. Sets forth provisions relating to the appointment of temporary directors and certain authorities of those directors.

Sec. 344.053. ELECTION REQUIRED. Sets forth provisions establishing the requirement for an election for certain purposes.

Sec. 344.054. CONFIRMATION ELECTION ORDER. Sets forth provisions relating to the temporary board's authority to call and hold a confirmation election.

Sec. 344.055. SALES AND USE TAX. Sets forth provisions regarding the certain application of a sales and use tax.

Sec. 344.056. NOTICE OF ELECTION. Sets forth provisions regarding the notice of election for the creation of a district.

Sec. 344.057. ELECTION DATE. Sets forth provisions regarding the determination of the date of the election to create a district.

Sec. 344.058. BALLOT PROPOSITION. Sets forth provisions regarding the ballot for an election to create a district.

Sec. 344.059. CANVASSING RETURNS. Sets forth provisions regarding the canvassing of the returns of the election to create a district.

Sec. 344.060. DISSOLUTION OF TEMPORARY BOARD. Sets forth provisions for the procedures for the dissolution of the temporary board.

Sec. 344.061. FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES PLAN AND BUDGET PLAN. Sets forth provisions regarding the development and adoption of a service plan and a budget plan by the temporary board.

Sec. 344.062. FINANCING CREATION OF DISTRICT. Sets forth provisions regarding the guidelines for financing the creation of a district.

[Reserves Sections 344.063-344.100 for expansion]

#### SUBCHAPTER C. ADMINISTRATION

Sec. 344.101. BOARD OF DIRECTORS. Sets forth provisions regarding the government of a district by a board of directors. Sets forth provisions regarding the terms of the initial and subsequent directors on the board.

Sec. 344.102. PERFORMANCE BOND. Sets forth provisions regarding the execution of a bond by each director before assuming the duties of the office.

Sec. 344.103. OFFICERS. Sets forth provisions regarding the election and selection of officers of the board of directors.

Sec. 344.104. COMPENSATION. Sets forth provisions regarding a director or officer's service without compensation and regarding reimbursement for certain expenses incurred by a director or officer.

Sec. 344.105. VOTING REQUIREMENT. Sets forth provisions regarding voting procedures on matters relating to the business of a district.

Sec. 344.106. CONTRACT FOR ADMINISTRATIVE ASSISTANCE. Sets forth procedures regarding the board's authority to contract with certain entities for certain purposes.

[Reserves Sections 344.107-344.150 for expansion]

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 344.151. FINANCING DISTRICT PROGRAMS. Sets forth provisions regarding the district's authority to finance all costs of certain district programs.

Sec. 344.152. COORDINATION; EVALUATION; GRANTS. Sets forth provisions requiring the district to coordinate its efforts with local agencies, to conduct an annual evaluation program, and to seek certain grant assistance.

Sec. 344.153. GENERAL BOARD POWER OVER FUNDS. Requires the board to manage, control, and administer the district finances except as provided by Section 344.205.

Sec. 344.154. USE OF REVENUE. Authorizes the board to spend revenue derived from the sales and use tax distributed under Section 321.106, Tax Code, only for a purpose authorized by Section 344.151.

Sec. 344.155. RULES AND PROCEDURES. Authorizes a board to adopt rules governing programs financed by the district and the functions of district staff. Authorizes the board to prescribe accounting and control procedures for the district. Provides that the board is subject to Chapter 2001, Government Code.

Sec. 344.156. PURCHASING. Authorizes the board, except as provided by this section, to prescribe the method of making purchases and expenditures by and for the district. Prohibits the board, to the extent competitive bidding procedures in Title 8 apply, from entering into a purchasing contract for more than \$15,000 unless the board complies with Chapter 252. Requires a purchasing agent, if the municipality that created the district has a purchasing agent authorized by law, to serve as purchasing agent for the district.

Sec. 344.157. PROPERTY TO BE USED IN ADMINISTRATION. Authorizes the board to lease or acquire in another manner facilities, equipment, or other property for the sole purpose of administering the district.

Sec. 344.158. REIMBURSEMENT FOR SERVICES. Sets forth provisions regarding reimbursing a district for services.

Sec. 344.159. SERVICE CONTRACTS. Sets forth provisions regarding board contracts with certain entities for certain services.

Sec. 344.160. DONATIONS, GIFTS, AND ENDOWMENTS. Authorizes the board or temporary board, on behalf of the district, to accept a donation, gift, or endowment. Authorizes the district to hold a donation, gift, or endowment in trust for any purpose and under any direction, limitation, or other provision prescribed in writing by the donor that is consistent with this chapter and the proper management of the district.

Sec. 344.161. AUTHORITY TO SUE AND BE SUED. Authorizes the board to sue and be sued in the name of the district.

[Reserves Sections 344.162-344.200 for expansion]

#### SUBCHAPTER E. DISTRICT FINANCES

Sec. 344.201. FISCAL YEAR. Sets forth provisions regarding the fiscal year of the district.

Sec. 344.202. AUDITS AND DISTRICT RECORDS. Sets forth provisions regarding an annual audit of the district and other district records.

Sec. 344.203. ANNUAL BUDGET PROPOSAL. Sets forth provisions regarding an annual budget proposal.

Sec. 344.204. ADOPTION OF BUDGET. Makes provisions regarding the board's adoption of an annual budget. Authorizes the board by rule to adopt alternative procedures for adopting a budget that differ from those outlined in this subchapter.

Sec. 344.205. APPROVAL OF BUDGET. Sets forth provisions regarding the approval of the budget by the governing body of the municipality and the board.

Sec. 344.206. LIMITATIONS ON EXPENDITURES AND INVESTMENTS. Sets forth limitations on expenditures and investments by the district.

Sec. 344.207. ACCOUNT OF DISBURSEMENTS OF DISTRICT. Requires an administrator, not later than the 60th day after the last day of each fiscal year, to prepare for the board a sworn statement of the amount of money that belongs to the district and an account of the disbursements of that money.

Sec. 344.208. DEPOSIT OF MONEY. Makes provisions regarding the deposit of district money.

Sec. 344.209. APPLICATIONS FOR PROGRAM FUNDING. Sets forth provisions regarding applications for program funding. Authorizes the board by rule to adopt application procedures.

Sec. 344.210. BONDS PROHIBITED. Prohibits the board from issuing or selling general obligation bonds, revenue bonds, or refunding bonds.

[Reserves Sections 344.211-344.250 for expansion]

#### SUBCHAPTER F. REFERENDUM ON CONTINUATION OR DISSOLUTION OF DISTRICT

Sec. 344.251. REFERENDUM AUTHORIZED. Authorizes referendum elections on certain questions. Requires referendum elections on certain other questions. Prohibits a referendum under certain circumstances. Sets forth required elements of the ballot for certain referendum elections.

Sec. 344.252. APPLICATION FOR PETITION. Makes provisions for an application for a petition to be circulated among voters for certain questions.

Sec. 344.253. PETITION. Sets forth required elements of a petition for certain questions.

Sec. 344.254. COPIES OF APPLICATION AND PETITION. Requires the clerk or secretary of the municipality to keep an application and a copy of a petition in the files of the clerk's or secretary's office. Requires the clerk to issue to the applicants as many copies as they request.

Sec. 344.255. FILING OF PETITION. Sets forth requirements for a petition to form the basis for the ordering of a referendum.

Sec. 344.256. REVIEW BY CLERK OR SECRETARY. Sets forth provisions regarding the review and verification of a petition by the clerk or secretary of the municipality.

Sec. 344.257. CERTIFICATION. Requires the clerk or secretary of the municipality, not later than the 40th day after the date a petition is filed, excluding Saturdays, Sundays, and legal holidays, to certify to the board the number of registered voters signing the petition.

Sec. 344.258. ELECTION ORDER. Makes provisions regarding an election order for a referendum election.

Sec. 344.259. APPLICABILITY OF ELECTION CODE. Requires a referendum election authorized by this subchapter to be held and the returns to be prepared and canvassed in conformity with the Election Code.

Sec. 344.260. RESULTS OF REFERENDUM. Makes provisions for any result of a continuation or dissolution referendum election.

Sec. 344.261. ELECTION CONTEST. Authorizes any qualified voter of the district, not later than the 30th day after the date the result of a referendum is declared, to contest the election by filing a petition in a district court located in the district.

[Reserves Sections 344.262-344.300 for expansion]

#### SUBCHAPTER G. DISTRICT DISSOLUTION

Sec. 344.301. TIME FOR DISSOLUTION OF DISTRICT. Makes provisions regarding the timing of the dissolution of a district.

Sec. 344.302. DISSOLUTION OF DISTRICT. (a) Sets forth provisions regarding the conveyance or transfer of certain property and funds on the dissolution of a district.

(b) Prohibits, after the date the district is dissolved, taxes from being imposed for district purposes or for providing fire control, prevention, and emergency medical services activities and programs for the residents of the district.

(c) Makes provisions regarding outstanding short-term or long-term liabilities.

(d) Authorizes the district and the board to continue to operate for a period not to exceed two months after carrying out the responsibilities required by Subsections (a) and (c). Provides that the board and the district are continued for the purpose of satisfying these responsibilities.

(e) Provides that if the board and the district are continued under Subsection (d), the board and district are dissolved entirely on the first day of the month following the month in which the board issues an order certifying to the secretary of state that the responsibilities of Subsections (a) and (c) are satisfied.

(f) Prohibits a district or board that continues to operate under Subsection (d) from incurring any new liabilities without the approval of the governing body of the municipality that created the district. Requires the governing body, not later than the 60th day after the date of the dissolution referendum, to review the outstanding liabilities of the district and set a specific date by which the municipality must retire the district's outstanding liabilities.

(g) Provides that, on the date that the district is dissolved, programs funded by the district are immediately terminated, and the personnel to be paid from district funds, except personnel required to retire the responsibilities of the district, are terminated.

(h) Requires the board to convey or transfer the value of the items described by Subsection (a) to the municipality that created the district.

SECTION 2. Amends Chapter 321B, Tax Code, by adding Section 321.106, as follows:

Sec. 321.106. FIRE CONTROL DISTRICT TAX. Sets forth provisions granting a municipality the authority to adopt a fire control district tax and provisions regarding the implementation of the tax. Authorizes the comptroller to adopt rules and the municipality's governing body to adopt orders to administer this section.

SECTION 3. Effective date: June 1, 2001.