

BILL ANALYSIS

Senate Research Center
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H.B. 3798
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Emergency services districts (ESDs) provide fire and emergency management services throughout suburban and rural Texas. ESD funding is limited for these entities (constitutionally limited \$0.10 ad valorem tax)

The process for ESDs to disburse funds has not been updated since 1995. The statutory procedure does not recognize current banking and technology practices.

H.B. 3798 will allow ESDs to utilize modern banking practices, such as use of transfer instruments other than checks, electronic funds transfers using the federal wire funds transfer system, and authorizing certain individuals to disburse funds on behalf of the district.

H.B. 3798 will also clarify that any assets purchased with using district funds remain the property of the ESD until properly sold or disposed of by the ESD.

H.B. 3798 amends current law relating to expenditures made by emergency services districts.

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 Section 775.073, Health and Safety Code, as follows:

Sec. 775.073. New heading: EXPENDITURES. (a) Provides that, except as otherwise provided by this section, the funds of an emergency services district created under this chapter (district) may be disbursed only by check, draft, order, or other instrument that is signed by at least a majority of the board of emergency services commissioners (board) or is signed by the treasurer and countersigned by the president. Deletes existing text authorizing the assistant treasurer, if the treasurer is absent or unavailable, to sign for the treasurer. Deletes existing text authorizing the vice president, if the president is absent or unavailable, to sign for the president.

(b) Authorizes the board by resolution to allow a district employee who has executed a bond in an amount equal to the amount required for the district treasurer to sign an instrument to disburse district funds. Prohibits the payment of an expenditure of more than \$2,000 unless the expenditure is presented to the board and the board approves the expenditure, rather than prohibits an expenditure of more than \$2,000 from being paid from tax money unless a sworn itemized account covering the expenditure is presented to the board and the board approves of the expenditure.

(c) Authorizes the board to authorize the disbursement of district funds transferred by federal reserve wire system. Authorizes the board by resolution to authorize wire transfers to accounts in the district's name or accounts not in the district's name.

(d) Requires that any property, including an interest in property, purchased or leased using district funds, wholly or partly, remain the property of the district, regardless of whether the property is used by a third party under a contract for services or otherwise, until the property is sold to a third party following the procedures authorized under Section 263.003 (School Lands), 263.007 (Sale or Lease of Real Property Through Sealed-Bid Procedure), or 263.008 (Broker Agreements and Fees for the Sale of Real Property), Local Government Code or the property is disposed of in accordance with Subchapter J (Surplus and Salvage Property).

SECTION 2. Effective date: September 1, 2013.