

BILL ANALYSIS

H.B. 2171
By: Cook, Robby
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Volunteer Fire Department Motor Vehicle Self-Insurance Program was created during the 74th Legislature (SB1232 by Armbrister and Ratliff) and initially funded with a loan of \$3 million in General Revenue with a requirement that it be repaid no later than August 31, 1997, therefore requiring 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 governing statute (Article 21.61, Sec. 5, Insurance Code) states the self-insurance pool will be maintained in the General Revenue Fund; however, no such fund exists. From its inception, this fund had been maintained in a local depository by the Texas Forest Service. Texas Forest Service understood the reference to the GR Fund in the enabling legislation pertained to the \$3 million loan only.

The purpose of HB 2171 is to change the language to indicate the fund is to be held in a local depository, as authorized by Section 51.003 of the Education Code.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1: Requires that the Volunteer Fire Department Motor Vehicle Self-Insurance Program fund be maintained in 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, Education Code, for funds subject to the control of institutions of higher education under Section 51.002, Education Code. Strikes language stating that money in the fund must be expended in accordance with legislative appropriation.

SECTION 2: Validates and confirms the maintenance of the volunteer fire department self-insurance fund established under Article 21.61, Insurance Code, in a depository as 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).

SECTION 3: Effective Date

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary number of votes, the Act takes effect September 1, 2005.