

BILL ANALYSIS

C.S.H.B. 3798
By: Coleman
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that it is necessary to update provisions regulating expenditures by emergency services districts. Such parties note that the board of emergency services commissioners should have broader authority to execute those expenditures. C.S.H.B. 3798 seeks to enhance the efficiency of the board in disbursing emergency services district funds by, among other provisions, expanding the types of instruments through which expenditures may be made, provided that those instruments are signed by at least a majority of the board members, and by authorizing the board to adopt a resolution permitting other district officials to sign an instrument disbursing district funds.

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

C.S.H.B. 3798 amends the Health and Safety Code to include a draft, order, or other instrument as a method of payment through which emergency services district funds may be disbursed and to specify that such payments are to be signed by at least a majority of the board of emergency services commissioners or by the treasurer and countersigned by the president. The bill removes language designating alternate signees for the treasurer or president if either of those officials is absent or unavailable.

C.S.H.B. 3798 authorizes the board of emergency services commissioners 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. The bill clarifies the requirement that all emergency services district expenditures of more than \$2,000 be presented to and approved by the board before being paid by removing as a condition for such an expenditure that a sworn itemized account covering the expenditure be presented to the board and removing a provision specifying that restrictions on an expenditure over this amount apply only to expenditures paid from tax money.

C.S.H.B. 3798 authorizes the board of an emergency services district to authorize the disbursement of district funds transferred by federal reserve wire system and to authorize wire transfers to accounts in the district's name or accounts not in the district's name.

C.S.H.B. 3798 requires any property, including an interest in property, purchased or leased using emergency services district funds, wholly or partly, to 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 procedures authorized under Local Government Code provisions regulating the disposition of land granted to a county for educational purposes, the sale or lease of county-owned real property through sealed-bid procedure, or broker agreements and fees for the sale of county-owned real property or until the

property is disposed of in accordance with statutory provisions relating to the sale and disposition of surplus or salvage property.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3798 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 775.073, Health and Safety Code, is amended to read as follows:

Sec. 775.073. EXPENDITURES ~~[METHOD OF PAYMENT]~~. (a) Except as otherwise provided by this section, district ~~[District]~~ funds may be disbursed only by check, draft, order, or other instrument that is signed by at least a majority of the board's commissioners ~~[the treasurer and countersigned by the president. If the treasurer is absent or unavailable, the assistant treasurer may sign for the treasurer. If the president is absent or unavailable, the vice president may sign for the president].~~

(b) The board by resolution may allow the district fire chief, treasurer, bookkeeper, or other district employee to sign an instrument to disburse district funds. An expenditure of more than \$2,000 may not be paid ~~[from tax money]~~ unless ~~[a sworn itemized account covering]~~ the expenditure is presented to the board and the board approves the expenditure.

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

(d) Any property purchased or leased using district funds must 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:

(1) the property is sold to a third party following the procedures authorized under

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 775.073, Health and Safety Code, is amended to read as follows:

Sec. 775.073. EXPENDITURES ~~[METHOD OF PAYMENT]~~. (a) Except as otherwise provided by this section, district ~~[District]~~ funds may be disbursed only by check, draft, order, or other instrument that: (1) is signed by at least a majority of the board's commissioners; or

(2) is signed by the treasurer and countersigned by the president. [If the treasurer is absent or unavailable, the assistant treasurer may sign for the treasurer. If the president is absent or unavailable, the vice president may sign for the president.]

(b) The board by resolution may 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. An expenditure of more than \$2,000 may not be paid ~~[from tax money]~~ unless ~~[a sworn itemized account covering]~~ the expenditure is presented to the board and the board approves the expenditure.

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

(d) Any property, including an interest in property, purchased or leased using district funds, wholly or partly, must 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:

(1) the property is sold to a third party following the procedures authorized under

Section 263.003, 263.007, or 263.008, Local Government Code; or (2) the property is disposed of in accordance with Subchapter J.

SECTION 2. This Act takes effect September 1, 2013.

Section 263.003, 263.007, or 263.008, Local Government Code; or (2) the property is disposed of in accordance with Subchapter J.

SECTION 2. Same as introduced version.