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By: **Delegates Conway, Bozman, Cane, Costa, Glassman, Moe, and Stull**

Introduced and read first time: February 9, 2005

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety - Volunteer Company Assistance Fund - State Budget**

3 FOR the purpose of clarifying and altering certain requirements and limitations on  
4 the award of grants and loans from the Volunteer Company Assistance Fund;  
5 altering certain procedures for the award of grants and loans from the Fund;  
6 repealing requirements for each request for a grant or loan from the Fund to be  
7 submitted to the Department of Budget and Management for approval and to  
8 the Department of Legislative Services for review; altering certain requirements  
9 for a certain annual report required from the Maryland State Firemen's  
10 Association regarding grants and loans awarded from the Fund; authorizing,  
11 rather than requiring, the Legislative Auditor to review certain documentation  
12 and to report to certain entities regarding grants and loans awarded from the  
13 Fund; expressing certain legislative intent related to certain appropriations to  
14 and from the Fund; and generally relating to the Volunteer Company Assistance  
15 Fund.

16 BY repealing and reenacting, without amendments,  
17 Article - Public Safety  
18 Section 8-201 and 8-202  
19 Annotated Code of Maryland  
20 (2003 Volume and 2004 Supplement)

21 BY repealing  
22 Article - Public Safety  
23 Section 8-203  
24 Annotated Code of Maryland  
25 (2003 Volume and 2004 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article - Public Safety  
28 Section 8-204, 8-205, 8-208, and 8-209  
29 Annotated Code of Maryland  
30 (2003 Volume and 2004 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Public Safety**

4 8-201.

- 5 (a) In this subtitle the following words have the meanings indicated.
- 6 (b) "Association" means the Maryland State Firemen's Association.
- 7 (c) "Department" means the Department of Budget and Management.
- 8 (d) "Fund" means the Volunteer Company Assistance Fund.
- 9 (e) "Volunteer company" means a volunteer ambulance, fire, or rescue  
10 company located in the State.

11 8-202.

- 12 (a) There is a Volunteer Company Assistance Fund.
- 13 (b) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302  
14 of the State Finance and Procurement Article.
- 15 (2) The Treasurer shall hold the Fund separately and the Comptroller  
16 shall account for the Fund.
- 17 (c) After consultation with the Association, the Governor may include in the  
18 State budget each year an appropriation to the Fund.

- 19 (d) (1) Any investment earnings of the Fund shall be credited to the Fund.
- 20 (2) Repayments on loans from the Fund shall be placed in the Fund and  
21 made available to fund grant or loan requests.

- 22 (e) For the purpose of making loans under this subtitle, the Association shall:
- 23 (1) develop loan criteria;
- 24 (2) develop loan terms, including interest rates; and
- 25 (3) recommend to the Board of Public Works the approval or denial of  
26 loans.

27 [8-203.

- 28 (a) The Comptroller may audit the financial affairs of the Association to  
29 ensure compliance with this subtitle.

1 (b) (1) The Department shall require each volunteer company receiving  
2 money under this subtitle to submit within 90 days after receipt of the equipment or  
3 beneficial occupancy:

4 (i) financial statements for the fiscal year in which the money was  
5 received; and

6 (ii) documentation of actual expenditures.

7 (2) Each volunteer company receiving money under this subtitle shall  
8 forward the financial statements and documentation required under paragraph (1) of  
9 this subsection, subject to § 2-1246 of the State Government Article, to the  
10 Legislative Auditor.

11 (c) The Legislative Auditor shall:

12 (1) review the financial statements and documentation submitted in  
13 accordance with subsection (b) of this section to determine if the money was spent in  
14 accordance with the request for money approved by the Board of Public Works; and

15 (2) report the findings to the Department and, subject to § 2-1246 of the  
16 State Government Article, to the Joint Audit Committee of the General Assembly.]

17 [8-204.] 8-203.

18 (a) The purpose of the Fund is to ensure adequate fire protection and rescue  
19 services in the State.

20 (b) A grant or loan awarded under this section shall be used only for  
21 purchasing, replacing, or improving:

22 (1) equipment, including elevated equipment, pumpers, tankers, ladder  
23 trucks, ambulances, rescue vehicles, or other large equipment used for fire fighting  
24 and emergency services;

25 (2) communications equipment;

26 (3) protective equipment, including helmets, turnout coats and pants,  
27 boots, eyeshields, gloves, and self-contained respiratory protection units;

28 (4) any other equipment necessary to carry out the ordinary functions of  
29 supporting fire fighting and rescue activities; or

30 (5) facilities used to house fire fighting equipment, ambulances, and  
31 rescue vehicles.

32 (c) (1) (i) A volunteer company receiving [money] A GRANT from the  
33 Fund shall provide at least a 30% match of the amount of the grant [or loan].

34 (ii) If a volunteer company cannot reasonably provide the required  
35 match before the [money] GRANT is disbursed, the Board of Public Works may waive

1 the requirement or may allow repayment of the match within a reasonable time not  
2 exceeding 18 months after the purchase, replacement, or improvement of the  
3 equipment or facilities.

4 (2) (i) Money to provide the required match may include contributions  
5 from local government.

6 (ii) A local government may not reduce the amount of money that  
7 the volunteer company would otherwise be entitled to receive from the local  
8 government because of State money provided under this section.

9 (3) LOANS FROM THE FUND MAY ONLY BE AWARDED TO ASSIST WITH UP  
10 TO 75% OF THE TOTAL COST OF THE EQUIPMENT OR FACILITIES BEING PURCHASED.

11 (d) After a favorable recommendation from the [Department] ASSOCIATION,  
12 the Board of Public Works may award a grant, loan, or both from the Fund to a  
13 volunteer company if:

14 (1) (i) an act of God or other unforeseen event substantially impairs  
15 the ability of the volunteer company to provide adequate and safe service; or

16 (ii) the volunteer company is unable to maintain the minimum  
17 level of performance for adequate and safe service established by standards of the  
18 Association because of a demonstrated lack of financial resources; and

19 (2) the [Department] ASSOCIATION and the volunteer company have  
20 executed an agreement that:

21 (i) provides that [money] THE GRANT OR LOAN will be used as  
22 represented to the Board of Public Works in the request for approval; and

23 (ii) gives to the State security in the equipment or facilities  
24 purchased with the [money] GRANT OR LOAN and in the proceeds of that equipment  
25 or those facilities as determined by the Board of Public Works to be appropriate and  
26 adequate.

27 (e) A grant or loan awarded under this section may not:

28 (1) be used to refinance a debt or other obligation of a volunteer company  
29 incurred before July 1, 1982; or

30 (2) be spent to replace or repair eligible items to the extent that  
31 insurance proceeds are available for those purposes.

32 (f) The Board of Public Works may not approve a grant or loan from the Fund  
33 to a volunteer company if the volunteer company has not made a good faith effort to  
34 obtain money from its local government.

1 [8-205.] 8-204.

2 (a) (1) A volunteer company shall submit each request for [money] A GRANT  
3 OR LOAN from the Fund to the Association for approval by a board of review in  
4 accordance with the Association's bylaws.

5 (2) Each request for [money] A GRANT OR LOAN shall include:

6 (i) financial statements for the 2 fiscal years immediately  
7 preceding the fiscal year in which the request is made;

8 (ii) any available audit of the financial statements; and

9 (iii) a detailed explanation of the reasons for the request.

10 (3) For each request for [money] A GRANT OR LOAN from the Fund, the  
11 volunteer company shall certify that the volunteer company applied for money from  
12 its local government and was denied, either wholly or partly.

13 (b) (1) If the Association disapproves a request or does not take action  
14 within 45 days after the request, the volunteer company requesting [money] A  
15 GRANT OR LOAN may appeal to a panel composed of the president of the Association,  
16 the State Fire Marshal, and the chairman of the Fire and Rescue Education and  
17 Training Commission.

18 (2) The decision of the panel is final and is not subject to further review.

19 (c) On approval of a request for [money] A GRANT OR LOAN, the Association  
20 or the panel shall transmit its recommendation to the [Department with the request  
21 for money and any other supporting information required by the Department] BOARD  
22 OF PUBLIC WORKS.

23 (d) [(1) The Department shall forward each request for money from the Fund  
24 to the Department of Legislative Services for review.

25 (2) On review of the financial statements, the Department of Legislative  
26 Services may advise the Department if the request for money appears justified.

27 (e) The Board of Public Works may authorize the use of money from the Fund  
28 on a recommendation by the Department in accordance with this section.

29 (f) As authorized by the Board of Public Works, the Treasurer shall disburse  
30 money from the Fund to a volunteer company for the purposes of this subtitle on  
31 warrant of the Comptroller.

32 [8-208.] 8-205.

33 (a) After consultation with the Association, the Governor may include in the  
34 State budget each year an amount for the purposes set forth in subsection (b) of this  
35 section.

1 (b) The Association may use money appropriated under subsection (a) of this  
2 section to:

3 (1) formulate, publish, and distribute the fire laws of Maryland;

4 (2) formulate, publish, and distribute an annual report and monthly or  
5 other timely bulletins and reports;

6 (3) publish and distribute fire prevention material;

7 (4) keep records that relate to the annual inspections of fire and rescue  
8 equipment and facilities; and

9 (5) establish and maintain a database on manpower availability and  
10 training, operational cost, equipment availability, response time, State and local  
11 financial support, and other relevant factors in providing fire and rescue services.

12 [8-209.] 8-206.

13 (a) On or before August 30 of each fiscal year, the Association shall submit to  
14 the Department, THE LEGISLATIVE AUDITOR, and to the Board of Public Works [a]  
15 AN ANNUAL report that includes [for the previous fiscal year]:

16 (1) the number AND TOTAL AMOUNT of grants THE NUMBER AND TOTAL  
17 AMOUNT OF loans made IN THE PREVIOUS FISCAL YEAR;

18 (2) FOR each GRANT OR LOAN MADE:

19 (I) THE volunteer company that received [a] THE grant or loan  
20 [and];

21 (II) the amount of the grant or loan; AND

22 [(3)] (III) the specific purpose of making [each] THE grant or loan; [and]

23 [(4)] (3) for each volunteer company that received a grant or loan:

24 (i) the financial statement of the volunteer company for the  
25 PREVIOUS fiscal year OR THE YEAR in which the [money] GRANT OR LOAN was  
26 received, WHICHEVER IS MORE RECENT; and

27 (ii) documentation of the volunteer company's actual expenditures  
28 FROM THE GRANT OR LOAN;

29 (4) FOR EACH LOAN MADE, THE TERMS OF THE LOAN, INCLUDING  
30 ORIGINATION DATE, LOAN TERM, PAYMENT TERMS, PAYMENT AMOUNT, PAYMENTS  
31 MADE TO DATE, OUTSTANDING BALANCE, AND LOAN STATUS; AND

32 (5) SUMMARY LISTINGS OF GRANTS AND LOANS MADE DURING THE  
33 PREVIOUS FISCAL YEAR AND OUTSTANDING LOANS, BY COUNTY.

1 (b) The Department shall:

2 (1) review [each financial statement and] the documentation submitted  
3 in accordance with subsection (a) of this section ON AN ANNUAL BASIS to determine if  
4 [the money] EACH GRANT OR LOAN was spent in accordance with THIS SUBTITLE  
5 AND the request [for money] approved by the Board of Public Works; and

6 (2) report the findings to the Senate Budget and Taxation Committee  
7 and the House Appropriations Committee ON AN ANNUAL BASIS.

8 (C) THE LEGISLATIVE AUDITOR MAY:

9 (1) REVIEW THE DOCUMENTATION SUBMITTED IN ACCORDANCE WITH  
10 SUBSECTION (A) OF THIS SECTION TO DETERMINE IF EACH GRANT OR LOAN WAS  
11 SPENT IN ACCORDANCE WITH THIS SUBTITLE AND THE REQUESTS APPROVED BY  
12 THE BOARD OF PUBLIC WORKS; AND

13 (2) REPORT THE FINDINGS TO THE DEPARTMENT AND, SUBJECT TO §  
14 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE JOINT AUDIT COMMITTEE OF  
15 THE GENERAL ASSEMBLY.

16 (D) THE COMPTROLLER MAY AUDIT THE FINANCIAL AFFAIRS OF THE  
17 ASSOCIATION TO ENSURE COMPLIANCE WITH THIS SUBTITLE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
19 General Assembly that appropriations to the Volunteer Company Assistance Fund  
20 established under § 8-202 of the Public Safety Article shall cease after Fiscal Year  
21 2021 or after the State has contributed \$20,000,000 to the Fund, whichever occurs  
22 first.

23 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the  
24 General Assembly that the Governor shall include in the State budget each year an  
25 appropriation for grants and loans from the Volunteer Company Assistance Fund  
26 established under § 8-202 of the Public Safety Article.

27 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 July 1, 2005.