

# SENATE BILL 254

E4, L1, L6

4r0632  
CF HB 365

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By: **Senator Glassman (Chair, Workgroup to Study the Laws and Policies Related to the Distribution of Money to Volunteer and Career Companies) and Senators Astle, Brinkley, Colburn, Dyson, Edwards, Feldman, Getty, Hershey, Jacobs, Jennings, Kasemeyer, Kelley, King, Kittleman, Klausmeier, Manno, Mathias, Middleton, Miller, Montgomery, Peters, Pugh, Ramirez, Raskin, Reilly, Robey, Rosapepe, Shank, Simonaire, Stone, Young, and Zirkin**

Introduced and read first time: January 17, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Public Safety – Fire, Rescue, and Ambulance Funds – Distribution**

3 FOR the purpose of repealing a provision of law prohibiting the Director of the  
4 Maryland Emergency Management Agency from requiring that capital  
5 equipment purchased with State money have a useful life expectancy of greater  
6 than 1 year; authorizing the Senator William H. Amoss Fire, Rescue, and  
7 Ambulance Fund to be used to acquire land for a specified purpose; authorizing  
8 the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to be used to  
9 install certain systems and to acquire telecommunication devices, computers,  
10 equipment, and machinery under specified circumstances; requiring the  
11 Treasurer to make certain payments by a certain date; repealing a prohibition  
12 against certain State money being used to acquire certain alarm systems;  
13 repealing a prohibition against certain State money being used to refinance debt  
14 or another obligation incurred before a certain date; requiring that certain  
15 funds be distributed to volunteer fire, rescue, and ambulance companies based  
16 on need; requiring a county to consider certain factors when determining need  
17 for purposes of distributing certain funds to volunteer fire, rescue, and  
18 ambulance companies; requiring a county to distribute certain money to fire,  
19 rescue, and ambulance companies, departments, or stations located in qualified

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 municipalities; providing that a county shall be deemed in compliance with a  
2 certain requirement if it has participated in the Maryland Fire Incident  
3 Reporting System and Ambulance Information System during a certain year;  
4 requiring that the State Fire Marshal and the Executive Director of the  
5 Maryland Institute for Emergency Medical Services Systems make certain  
6 certifications to the Director of the Maryland Emergency Management Agency  
7 by a certain date; requiring the State Fire Marshal and the Executive Director  
8 of the Maryland Institute for Emergency Medical Services Systems to adopt  
9 policies and procedures for determining whether a county has participated in  
10 certain reporting systems; authorizing the Director of the Maryland Emergency  
11 Management Agency to withhold certain money from a county if certain  
12 requirements are not met; requiring the Director of the Maryland Emergency  
13 Management Agency to withhold certain money from a county if certain  
14 requirements are not met; specifying how certain penalties are to be  
15 determined; making a technical correction; providing that a certain  
16 maintenance of effort requirement does not apply to a county if the county  
17 requests and is granted a waiver from the requirement based on a certain  
18 determination; requiring a county to take certain actions in order to qualify for  
19 a certain waiver; requiring the Director of the Maryland Emergency  
20 Management Agency to provide a preliminary assessment of a certain waiver  
21 request to the Board of Public Works; requiring the Board of Public Works to  
22 consider certain factors when making a determination regarding a certain  
23 waiver request; requiring the Board of Public Works to respond to a certain  
24 waiver request by a certain date; providing a formula for calculating  
25 maintenance of effort if a waiver is granted; authorizing a county to request a  
26 waiver to rebase the maintenance of effort calculation under certain  
27 circumstances; requiring the Board of Public Works to establish certain policies  
28 and procedures relating to rebasing a maintenance of effort calculation;  
29 providing a formula to rebase the maintenance of effort calculation; providing  
30 that money distributed from the Senator William H. Amoss Fire, Rescue, and  
31 Ambulance Fund may be accounted for in a format developed by the Director of  
32 the Maryland Emergency Management Agency; requiring that money that  
33 remains unencumbered or unexpended after a certain period of time be  
34 deposited into the William H. Amoss Fire, Rescue, and Ambulance Fund rather  
35 than the General Fund; prohibiting a volunteer company from entering into a  
36 certain legal obligation to encumber money received from the William H. Amoss  
37 Fire, Rescue, and Ambulance Fund without prior approval from the county;  
38 providing that money received from the William H. Amoss Fire, Rescue, and  
39 Ambulance Fund be placed in a special fund under certain circumstances;  
40 authorizing the Comptroller to set off shared revenues that are due to a county  
41 under certain circumstances; requiring that certain encumbrances of a  
42 volunteer company be considered an encumbrance of the county; authorizing a  
43 county or municipality to hold money distributed from the William H. Amoss  
44 Fire, Rescue, and Ambulance Fund in a bank account with other county or  
45 municipal funds; requiring a certain report to include specified information;  
46 authorizing a county to withhold money from a fire, a rescue, or an ambulance  
47 company under certain circumstances; authorizing a county to reallocate money

1 distributed from the Senator William H. Amoss Fire, Rescue, and Ambulance  
2 Fund to compliant fire, rescue, and ambulance companies; providing that  
3 certain withheld money reverts to the William H. Amoss Fire, Rescue, and  
4 Ambulance Fund rather than the General Fund; defining certain terms; altering  
5 a certain definition; and generally relating to the distribution of money from the  
6 Senator William H. Amoss Fire, Rescue, and Ambulance Fund.

7 BY repealing and reenacting, with amendments,  
8 Article – Public Safety  
9 Section 8–101, 8–102, 8–103, 8–104, 8–105, and 8–106  
10 Annotated Code of Maryland  
11 (2011 Replacement Volume and 2013 Supplement)

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

14 **Article – Public Safety**

15 8–101.

16 (a) In this subtitle the following words have the meanings indicated.

17 **(B) (1) “ADMINISTRATIVE COSTS” MEANS ANY COSTS THAT ARE FOR**  
18 **ADMINISTRATIVE FUNCTIONS, INCLUDING:**

19 **(I) BILLING AND COLLECTION EXPENSES;**

20 **(II) PROMOTION AND MARKETING EXPENSES;**

21 **(III) TAXES, FEES, AND ASSESSMENTS;**

22 **(IV) LEGAL EXPENSES; AND**

23 **(V) OTHER GENERAL AND ADMINISTRATIVE COSTS AS**  
24 **DETERMINED BY THE DIRECTOR.**

25 **(2) “ADMINISTRATIVE COSTS” DOES NOT INCLUDE:**

26 **(I) ACCOUNTING AND FINANCIAL REPORTING EXPENSES,**  
27 **INCLUDING THE COSTS OF AUDITING THE FUND IN ACCORDANCE WITH § 8–104**  
28 **OF THIS SUBTITLE; OR**

29 **(II) COMPUTER SOFTWARE, IF USED EXCLUSIVELY FOR FIRE**  
30 **PROTECTION, RESCUE, AND AMBULANCE SERVICES.**

1           **(C) “BANK ACCOUNT” MEANS A CHECKING OR SAVINGS ACCOUNT THAT**  
2 **IS MAINTAINED IN A FINANCIAL INSTITUTION WHOSE DEPOSITS ARE INSURED**  
3 **BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.**

4           **(D) “CAPITAL EQUIPMENT” MEANS ANY EQUIPMENT ITEM OR**  
5 **FURNISHING THAT HAS:**

6                   **(1) A USEFUL LIFE GREATER THAN 1 YEAR; AND**

7                   **(2) A PROCUREMENT COST OF AT LEAST ~~\$100~~ \$10,000 PER UNIT.**

8           **(E) “CAPITAL EXPENDITURE” MEANS REVENUES APPROPRIATED FOR:**

9                   **(1) THE ACQUISITION OF LAND, BUILDINGS, OR CAPITAL**  
10 **EQUIPMENT; OR**

11                   **(2) NEW CONSTRUCTION.**

12           **(F) (1) “COMPUTER SOFTWARE” MEANS ANY PROGRAM THAT IS USED**  
13 **TO CAUSE A COMPUTER TO PERFORM A SPECIFIC TASK OR SET OF TASKS.**

14                   **(2) “COMPUTER SOFTWARE” INCLUDES:**

15                           **(I) SYSTEM AND APPLICATION PROGRAMS; AND**

16                           **(II) DATABASE STORAGE AND MANAGEMENT PROGRAMS.**

17           **[(b)] (G) “Director” means the Director of the Maryland Emergency**  
18 **Management Agency.**

19           **(H) “ENCUMBER” MEANS TO CREATE A LEGAL OBLIGATION THAT**  
20 **REQUIRES A PORTION OF AN APPROPRIATION TO BE RESERVED TO PAY MONEY**  
21 **IN THE FUTURE.**

22           **[(c)] (I) (1) “Expenditures for fire protection” means:**

23                           **(i) revenues appropriated or to be appropriated by a county for**  
24 **fire protection, rescue, and ambulance services; and**

25                           **(ii) the proceeds of any county bonds used to finance facilities**  
26 **that house equipment for fire protection, rescue, and ambulance services.**

27                   **(2) “Expenditures for fire protection” includes:**

1                   **(I) REVENUES APPROPRIATED BY A COUNTY TO**  
2 **VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES;**

3                   **(II) ACCOUNTING AND FINANCIAL REPORTING EXPENSES,**  
4 **INCLUDING THE COSTS OF AUDITING THE FUND IN ACCORDANCE WITH § 8-104**  
5 **OF THIS SUBTITLE; AND**

6                   **(III) the costs of training personnel.**

7                   (3) “Expenditures for fire protection” does not include:

8                   (i) salaries, workers’ compensation, fringe benefits, or other  
9 personnel costs;

10                   (ii) administrative costs; [or]

11                   **(III) CAPITAL EXPENDITURES; OR**

12                   [[iii]] **(IV) in Carroll County, appropriations for loans to a**  
13 **volunteer fire, rescue, or ambulance company, secured by mortgages, notes, or other**  
14 **evidence of indebtedness of the volunteer fire, rescue, or ambulance company, if the**  
15 **appropriations derive from the proceeds of bonds used to finance facilities that house**  
16 **equipment for fire protection, rescue, and ambulance services.**

17                   [[d]] **(J) “Fund” means the Senator William H. Amoss Fire, Rescue, and**  
18 **Ambulance Fund.**

19                   **(K) “LEGAL OBLIGATION” INCLUDES:**

20                   **(1) A PURCHASE ORDER;**

21                   **(2) A WRITTEN AGREEMENT FOR THE PURCHASE OF GOODS AND**  
22 **SERVICES;**

23                   **(3) A WRITTEN AGREEMENT BETWEEN A COUNTY AND A**  
24 **VOLUNTEER FIRE, RESCUE, OR AMBULANCE COMPANY; AND**

25                   **(4) A WRITTEN AGREEMENT BETWEEN A COUNTY AND A VENDOR.**

26                   [[e]] **(L) (1) “Qualified municipal corporation” means a municipal**  
27 **corporation in the State whose expenditures for fire protection from municipal sources**  
28 **exceed \$25,000.**

29                   (2) “Qualified municipal corporation” does not include Baltimore City.

1           **(M) “REHABILITATE”, WITH REGARD TO A FACILITY, DOES NOT INCLUDE**  
2 **PURCHASING OFFICE EQUIPMENT OR INCURRING ADMINISTRATIVE EXPENSES.**

3           **(N) “ROUTINE MAINTENANCE COSTS” MEANS EXPENDITURES FOR**  
4 **ACTIVITIES THAT ARE:**

5                   **(1) NORMALLY ESTABLISHED BY A MANUFACTURER OR AN**  
6 **INDUSTRY TRADE ASSOCIATION;**

7                   **(2) PLANNED AND PERFORMED AT REGULAR INTERVALS; AND**

8                   **(3) NECESSARY TO EXTEND THE USEFUL LIFE OR TO PREVENT**  
9 **THE PREMATURE FAILURE OF BUILDING COMPONENTS OR EQUIPMENT.**

10 8–102.

11           (a) There is a Senator William H. Amoss Fire, Rescue, and Ambulance Fund.

12           (b) The purposes of the Fund are to promote:

13                   (1) the delivery of effective and high quality fire protection, rescue,  
14 and ambulance services in the State;

15                   (2) increased financial support for fire, rescue, and ambulance  
16 companies by counties; and

17                   (3) the continued financial viability of volunteer fire, rescue, and  
18 ambulance companies given the greatly increased costs of equipment.

19           (c) (1) The Director shall administer the Fund.

20                   (2) Subject to paragraph (3) of this subsection, the Director may adopt  
21 procedures to carry out this subtitle, including additional auditing and reporting  
22 requirements.

23                   (3) The Director may not[:

24                           (i)] impose training or operational requirements as a  
25 precondition to receipt of money, except as otherwise expressly provided in this  
26 subtitle[; or

27                           (ii) require that capital equipment purchased with State money  
28 have a useful life expectancy of greater than 1 year].

29           (d) The Fund consists of:

1 (1) money appropriated in the State budget to the Fund; and

2 (2) revenue distributed to the Fund under § 16–609 of the Business  
3 Regulation Article.

4 (e) (1) As authorized by the Director, the Treasurer shall make payments  
5 out of the Fund to each county on warrant of the Comptroller.

6 (2) The Treasurer shall make the payments required under this  
7 subsection to the appropriate county [in approximately equal amounts] on or about  
8 [August 15,] November 15[, February 15, and May 15].

9 (f) (1) State money provided under this section may only be used to:

10 (i) acquire or rehabilitate fire or rescue equipment, including  
11 ambulances;

12 (ii) acquire or rehabilitate capital equipment used in connection  
13 with fire or rescue equipment; [and]

14 (iii) rehabilitate facilities used primarily to house fire fighting  
15 equipment, ambulances, and rescue vehicles;

16 **(IV) INSTALL LIFE SAFETY AND FIRE PROTECTION SYSTEMS**  
17 **AT A FIRE, A RESCUE, OR AN AMBULANCE FACILITY;**

18 **(V) ACQUIRE LAND THAT IS ADJACENT TO AN EXISTING**  
19 **FIRE, RESCUE, OR AMBULANCE FACILITY FOR THE PURPOSE OF**  
20 **REHABILITATING THAT FACILITY;**

21 **(VI) ACQUIRE WIRELESS TELECOMMUNICATIONS DEVICES,**  
22 **COMPUTERS, AND RELATED COMPUTER EQUIPMENT IF USED EXCLUSIVELY FOR**  
23 **FIRE PROTECTION, RESCUE, AND AMBULANCE SERVICES; AND**

24 **(VII) ACQUIRE MACHINERY AND EQUIPMENT IF USED**  
25 **EXCLUSIVELY FOR FIRE PROTECTION, RESCUE, AND AMBULANCE SERVICES.**

26 (2) State money provided under this section may not be used:

27 (i) for administrative costs;

28 (ii) for compensation or fringe benefits to employees or members  
29 of county governments, or fire, rescue, or ambulance companies;

30 (iii) for travel or meal expenses;

1 (iv) for fuel, utility, or routine maintenance costs of facilities or  
2 equipment;

3 (v) to acquire new or replacement fire hydrants[,] **OR WATER**  
4 **MAINS** [water mains, or emergency alarm systems not installed at a fire, rescue, or  
5 ambulance facility];

6 (vi) for insurance;

7 (vii) for fund-raising activities;

8 (viii) [to refinance debt or another obligation incurred before July  
9 1, 1985;

10 (ix)] to replace or repair eligible items to the extent that  
11 insurance proceeds are available;

12 [(x)] **(IX)** for costs associated with the “9-1-1” emergency  
13 telephone system; or

14 [(xi)] **(X)** for land or interests in land, **EXCEPT AS PROVIDED**  
15 **IN PARAGRAPH (1)(V) OF THIS SUBSECTION.**

16 8-103.

17 (a) Subject to subsection (c) of this section, each county shall receive an  
18 initial allocation of money based on a percentage to be determined in the following  
19 manner:

20 (1) the Director of Assessments and Taxation shall certify to the  
21 Director each county’s total percentage of land use property tax accounts, including  
22 vacant unimproved properties, relative to the statewide total of all land use property  
23 tax accounts for the first completed fiscal year immediately preceding the fiscal year  
24 for which money is to be allocated;

25 (2) except as provided in item (3) of this subsection, the percentage  
26 determined in item (1) of this subsection shall then be applied for each county to any  
27 amount included in the State budget for the purposes of this subtitle; and

28 (3) each county shall receive an allocation of at least 2% of the total  
29 Fund as appropriated in the State budget, in addition to the amount that is  
30 distributed to fire, rescue, and ambulance companies, departments, or stations located  
31 in qualified municipal corporations in accordance with subsection (c) of this section.

1 (b) (1) In accordance with the formula provided in paragraph (2) of this  
2 subsection, each county shall distribute a minimum percentage of funds that the  
3 county receives from the Fund to volunteer fire, rescue, and ambulance companies.

4 (2) The percentage of funds required to be distributed by each county  
5 under paragraph (1) of this subsection shall be equal to the same total percentage of  
6 funds distributed by each county to volunteer fire, rescue, and ambulance companies  
7 from the Fund in fiscal year 2011 or at least 51% of the allocation received by each  
8 county under subsection (a) of this section, whichever is greater.

9 [(3) Subject to § 2–1246 of the State Government Article, the Director  
10 shall report by December 31 of each year to the General Assembly on the funds  
11 distributed by each county under paragraph (2) of this subsection to volunteer fire,  
12 rescue, and ambulance companies.]

13 (3) EACH COUNTY SHALL DISTRIBUTE THE MONEY PROVIDED  
14 UNDER THIS SUBSECTION ON THE BASIS OF NEED, AS DETERMINED BY THE  
15 COUNTY, TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES.

16 (4) IN DETERMINING NEED UNDER THIS SUBSECTION, THE  
17 COUNTY SHALL CONSIDER:

18 (I) THE FAILURE TO MEET MINIMUM STANDARDS  
19 ESTABLISHED BY THE COUNTY OR THE MARYLAND STATE FIREMEN'S  
20 ASSOCIATION;

21 (II) THE EXISTENCE OR POTENTIAL EXISTENCE OF AN  
22 EMERGENCY SITUATION AS DESCRIBED IN § 8–203 OF THIS TITLE;

23 (III) THE AGE AND CONDITION OF EXISTING FACILITIES AND  
24 EQUIPMENT;

25 (IV) THE LACK OF AVAILABILITY OF MUTUAL AID;

26 (V) ANY SERVICE PROBLEMS ASSOCIATED WITH  
27 DEMOGRAPHIC CONDITIONS;

28 (VI) A COMPANY'S INABILITY TO RAISE MONEY TO PAY FOR  
29 AN ITEM; AND

30 (VII) ANY OTHER RELEVANT FACTORS.

31 [(4)] (5) This subsection does not apply to:

32 (i) Baltimore City; or

1 (ii) distributions made to fire, rescue, and ambulance  
2 companies, departments, or stations located in qualified municipal corporations in  
3 accordance with subsection (c) of this section.

4 (c) (1) Subject to paragraph (6) of this subsection, each county shall  
5 distribute the money provided under this subtitle on the basis of need to fire, rescue,  
6 and ambulance companies, departments, or stations in the county, including  
7 companies, departments, or stations:

8 (i) located in municipal corporations; or

9 (ii) located outside the State if the company, department, or  
10 station:

11 1. has been a member of the Maryland State Firemen's  
12 Association for at least the past 10 years; and

13 2. has a first due response area in the State.

14 (2) Each county shall determine need in accordance with procedures  
15 that the county uses to adopt its budget.

16 (3) In determining need under this subsection, the county shall  
17 consider:

18 (i) the failure to meet minimum standards established by the  
19 county or the Maryland State Firemen's Association;

20 (ii) the existence or potential existence of an emergency  
21 situation as described in § 8-203 of this title;

22 (iii) the age and condition of existing facilities and equipment;

23 (iv) the lack of availability of mutual aid;

24 (v) any service problems associated with demographic  
25 conditions; and

26 (vi) any other relevant factors.

27 (4) In addition to consideration of the factors in paragraph (3) of this  
28 subsection, for a volunteer company the county shall consider the company's inability  
29 to raise money to pay for the item.

30 (5) Notwithstanding paragraphs (3) and (4) of this subsection, each  
31 county shall give the highest funding priority to the failure to meet minimum

1 standards or the existence of an emergency situation as described in § 8–203 of this  
2 title.

3           (6)   **(I) IN THIS PARAGRAPH, “EXPENDITURES OF THE**  
4 **QUALIFIED MUNICIPAL CORPORATION” INCLUDES REVENUES APPROPRIATED**  
5 **TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES.**

6                   **(II) Distribution of money to fire, rescue, and ambulance**  
7 **companies, departments, or stations located in qualified municipal corporations in a**  
8 **county in the aggregate may not be less than 50% of the proportion that the**  
9 **expenditures of the qualified municipal corporation bear to total aggregate**  
10 **expenditures for fire protection in that county.**

11                   **(III) A COUNTY SHALL DISTRIBUTE THE MONEY ALLOCATED**  
12 **UNDER THIS PARAGRAPH TO FIRE, RESCUE, AND AMBULANCE COMPANIES,**  
13 **DEPARTMENTS, OR STATIONS LOCATED IN QUALIFIED MUNICIPALITIES.**

14           (7)   **(I) To receive money under this subsection, each county shall**  
15 **participate in the Maryland Fire Incident Reporting System and Ambulance**  
16 **Information System.**

17                   **(II) A COUNTY SHALL BE DEEMED IN COMPLIANCE WITH**  
18 **SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE COUNTY HAS PARTICIPATED IN**  
19 **THE MARYLAND FIRE INCIDENT REPORTING SYSTEM AND AMBULANCE**  
20 **INFORMATION SYSTEM DURING THE IMMEDIATELY PRECEDING FISCAL YEAR**  
21 **FOR WHICH MONEY IS TO BE ALLOCATED.**

22                   **(III) THE STATE FIRE MARSHAL SHALL:**

23                           **1. ADOPT POLICIES AND PROCEDURES FOR**  
24 **DETERMINING IF A COUNTY HAS PARTICIPATED IN THE MARYLAND FIRE**  
25 **INCIDENT REPORTING SYSTEM; AND**

26                           **2. CERTIFY TO THE DIRECTOR BY JULY 1 OF EACH**  
27 **YEAR WHETHER A COUNTY HAS PARTICIPATED IN THE MARYLAND FIRE**  
28 **INCIDENT REPORTING SYSTEM DURING THE IMMEDIATELY PRECEDING FISCAL**  
29 **YEAR.**

30                   **(IV) THE EXECUTIVE DIRECTOR OF THE MARYLAND**  
31 **INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS SHALL:**

32                           **1. ADOPT POLICIES AND PROCEDURES FOR**  
33 **DETERMINING IF A COUNTY HAS PARTICIPATED IN THE AMBULANCE**  
34 **INFORMATION SYSTEM; AND**

1                                   **2. CERTIFY TO THE DIRECTOR BY JULY 1 OF EACH**  
2 **YEAR WHETHER A COUNTY HAS PARTICIPATED IN THE AMBULANCE**  
3 **INFORMATION SYSTEM DURING THE IMMEDIATELY PRECEDING FISCAL YEAR.**

4 8–104.

5           (a)   (1)   (i)   The money distributed under this subtitle shall be used by  
6 each county for the purposes listed in § 8–102(f)(1) of this subtitle as an addition to  
7 and may not be substituted for any money appropriated from sources other than the  
8 Fund.

9                                   (ii)   In each fiscal year, each county shall make expenditures for  
10 fire protection from sources other than the Fund in an amount that is at least equal to  
11 the average amount of the expenditures for fire protection during the 3 preceding  
12 fiscal years.

13                                   [(iii) Except as provided in paragraph (2) of this subsection, a  
14 county that fails to satisfy the requirements of this subsection may not receive money  
15 under this subtitle for that fiscal year.]

16                                   (2)   **(I)**   [For each fiscal year, each county that fails to satisfy the  
17 requirements of paragraph (1) of this subsection may receive money under this  
18 subtitle subject to a penalty equal to the percentage by which the county fails to meet  
19 the county’s maintenance of effort for that fiscal year.] ~~THE DIRECTOR MAY~~  
20 ~~WITHHOLD MONEY ALLOCATED FOR THE NEXT FISCAL YEAR FROM A COUNTY IF~~  
21 ~~THE~~ IF A COUNTY DOES NOT COMPLY WITH THE REQUIREMENTS OF PARAGRAPH  
22 (1) OF THIS SUBSECTION, THE DIRECTOR MAY WITHHOLD MONEY ALLOCATED  
23 TO THE COUNTY FOR THE FISCAL YEAR THAT BEGINS AFTER THE SUBMISSION  
24 OF THE REPORT REQUIRED UNDER § 8–105 OF THIS SUBTITLE.

25                                   **(II) THE PENALTY IMPOSED UNDER SUBPARAGRAPH (I) OF**  
26 **THIS PARAGRAPH SHALL BE EQUAL TO THE PERCENTAGE BY WHICH THE**  
27 **COUNTY FAILED TO MEET THE COUNTY’S MAINTENANCE OF EFFORT UNDER**  
28 **PARAGRAPH (1)(II) OF THIS SUBSECTION** ~~DURING THE PRECEDING FISCAL~~  
29 ~~YEAR.~~

30                                   **(3) (I) THE DIRECTOR SHALL AUTOMATICALLY WITHHOLD**  
31 **MONEY ALLOCATED TO A COUNTY FROM THE FUND IF:**

32   **1. THE COUNTY FAILS TO COMPLY WITH THE**  
33 **REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION FOR TWO**  
34 **CONSECUTIVE FISCAL YEARS; AND**

1                   **2. NO WAIVER HAS BEEN GRANTED BY THE BOARD**  
2 **OF PUBLIC WORKS OR THE GENERAL ASSEMBLY IN ACCORDANCE WITH**  
3 **SUBSECTION (D) OF THIS SECTION.**

4                   **(II) THE PENALTY IMPOSED UNDER SUBPARAGRAPH (I) OF**  
5 **THIS PARAGRAPH SHALL BE EQUAL TO THE PERCENTAGE BY WHICH THE**  
6 **COUNTY FAILED TO MEET THE COUNTY'S MAINTENANCE OF EFFORT FOR THE**  
7 **SECOND CONSECUTIVE FISCAL YEAR UNDER PARAGRAPH (1)(II) OF THIS**  
8 **SUBSECTION ~~DURING THE PRECEDING FISCAL YEAR.~~**

9           (b) (1) Each county shall make expenditures for fire protection from its  
10 own sources that are at least equal to the amount of State money to be received.

11                   (2) A county may receive less than the amount initially allocated.

12                   (3) In determining the amount of expenditures for fire protection made  
13 by a county, before certification, the Director shall review the financial information of  
14 the county for the first completed fiscal year before the fiscal year for which State  
15 money is appropriated.

16                   (4) Money received from the [Emergency Assistance Trust Fund]  
17 **VOLUNTEER COMPANY ASSISTANCE FUND** under § 8-203 of this title or other  
18 State money may not be used as the match required under this subsection.

19           (c) (1) Money not distributed to a county because the requirements of  
20 subsections (a) and (b) of this section are not satisfied shall be distributed to the  
21 counties that meet the requirements of subsections (a) and (b) of this section in  
22 accordance with this subsection.

23                   (2) (i) Subject to subparagraph (ii) of this paragraph, each county  
24 that meets the requirements of subsections (a) and (b) of this section shall receive an  
25 allocation of the money distributed under paragraph (1) of this subsection based on a  
26 percentage to be determined in accordance with § 8-103(a) of this subtitle.

27                   (ii) For purposes of determining the percentage allocated to each  
28 county under this subsection, the property tax accounts of each county that fails to  
29 satisfy the requirements of subsection (a) or (b) of this section shall be excluded from  
30 the statewide total.

31                   (3) Each county shall distribute money provided under this subsection  
32 in accordance with § 8-103(c) of this subtitle.

33           **(D) (1) THE MAINTENANCE OF EFFORT REQUIREMENT IN**  
34 **SUBSECTION (A)(1)(II) OF THIS SECTION DOES NOT APPLY TO A COUNTY IF THE**  
35 **COUNTY REQUESTS AND IS GRANTED A WAIVER FROM THE REQUIREMENT**  
36 **BASED ON A DETERMINATION THAT THE COUNTY'S FISCAL CONDITION**

1 SIGNIFICANTLY IMPEDES THE COUNTY'S ABILITY TO FUND THE MAINTENANCE  
2 OF EFFORT REQUIREMENT.

3 (2) (I) IN ORDER TO QUALIFY FOR A WAIVER FOR A FISCAL  
4 YEAR, A COUNTY SHALL:

5 1. SEEK A WAIVER FROM THE GENERAL ASSEMBLY  
6 BY LEGISLATION DURING THE LEGISLATIVE SESSION PRECEDING THE FISCAL  
7 YEAR ~~IN WHICH THE WAIVER IS REQUESTED~~ IN WHICH THE PENALTY FOR  
8 FAILING TO COMPLY WITH THE MAINTENANCE OF EFFORT REQUIREMENT IS TO  
9 BE IMPOSED; OR

10 2. MAKE A REQUEST FOR A WAIVER TO THE BOARD  
11 OF PUBLIC WORKS BY JUNE 30 OF THE ~~PRIOR FISCAL YEAR~~ FISCAL YEAR  
12 PRECEDING THE FISCAL YEAR IN WHICH THE PENALTY FOR FAILING TO COMPLY  
13 WITH THE MAINTENANCE OF EFFORT REQUIREMENT IS TO BE IMPOSED.

14 (II) THE DIRECTOR SHALL PROVIDE A PRELIMINARY  
15 ASSESSMENT OF A WAIVER REQUEST TO THE BOARD OF PUBLIC WORKS.

16 (3) WHEN CONSIDERING WHETHER TO GRANT A COUNTY'S  
17 WAIVER REQUEST, THE BOARD OF PUBLIC WORKS SHALL CONSIDER THE  
18 FOLLOWING FACTORS:

19 (I) EXTERNAL ENVIRONMENTAL FACTORS SUCH AS A LOSS  
20 OF A MAJOR EMPLOYER OR INDUSTRY AFFECTING THE COUNTY OR A BROAD  
21 ECONOMIC DOWNTURN AFFECTING MORE THAN ONE COUNTY;

22 (II) THE COUNTY'S TAX BASE;

23 (III) THE COUNTY'S MAINTENANCE OF EFFORT  
24 REQUIREMENT RELATIVE TO THE COUNTY'S STATUTORY ABILITY TO RAISE  
25 REVENUES;

26 (IV) THE COUNTY'S HISTORY OF EXCEEDING THE REQUIRED  
27 MAINTENANCE OF EFFORT AMOUNT UNDER SUBSECTION (A)(1)(II) OF THIS  
28 SECTION;

29 (V) SIGNIFICANT REDUCTIONS IN STATE AID TO THE  
30 COUNTY AND MUNICIPALITIES OF THE COUNTY FOR THE FISCAL YEAR FOR  
31 WHICH A WAIVER IS REQUESTED OR NEW COSTS IMPOSED ON THE COUNTY OR  
32 MUNICIPALITIES OF THE COUNTY DUE TO A CHANGE IN STATE LAW,  
33 REGULATION, OR POLICY; AND

1                   **(VI) THE NUMBER OF WAIVERS THE COUNTY HAS RECEIVED**  
2 **IN THE PAST 5 YEARS.**

3                   **(4) THE BOARD OF PUBLIC WORKS SHALL INFORM THE COUNTY**  
4 **WHETHER THE WAIVER FOR A FISCAL YEAR IS APPROVED OR DENIED IN WHOLE**  
5 **OR PART NO LATER THAN 60 DAYS AFTER RECEIPT OF AN APPLICATION OR**  
6 **AUGUST 30 OF THE FISCAL YEAR IN WHICH THE WAIVER IS REQUESTED,**  
7 **WHICHEVER IS LATER.**

8                   **(5) IF A COUNTY IS GRANTED A WAIVER FROM THE MAINTENANCE**  
9 **OF EFFORT PROVISION IN SUBSECTION (A)(1)(II) OF THIS SECTION BY EITHER**  
10 **THE BOARD OF PUBLIC WORKS OR THE GENERAL ASSEMBLY FOR ANY FISCAL**  
11 **YEAR, THE MAINTENANCE OF EFFORT CALCULATION FOR THE NEXT FISCAL**  
12 **YEAR SHALL BE CALCULATED BASED ON THE THREE MOST RECENT FISCAL**  
13 **YEARS IN WHICH THE COUNTY MET THE MAINTENANCE OF EFFORT**  
14 **REQUIREMENT.**

15                   **(6) (I) IF A COUNTY IS GRANTED A WAIVER FROM THE**  
16 **MAINTENANCE OF EFFORT CALCULATION IN SUBSECTION (A)(1)(II) OF THIS**  
17 **SECTION BY EITHER THE BOARD OF PUBLIC WORKS OR THE GENERAL**  
18 **ASSEMBLY FOR 5 CONSECUTIVE FISCAL YEARS, THE COUNTY MAY REQUEST A**  
19 **WAIVER FROM THE BOARD OF PUBLIC WORKS TO REBASE THE MAINTENANCE**  
20 **OF EFFORT CALCULATION.**

21                   **(II) THE BOARD OF PUBLIC WORKS SHALL ESTABLISH**  
22 **POLICIES AND PROCEDURES FOR:**

23                                 **1. REQUESTING A WAIVER TO REBASE THE**  
24 **MAINTENANCE OF EFFORT CALCULATION; AND**

25                                 **2. DETERMINING WHETHER TO GRANT A WAIVER TO**  
26 **REBASE THE MAINTENANCE OF EFFORT CALCULATION.**

27                   **(III) IF A WAIVER TO REBASE THE MAINTENANCE OF EFFORT**  
28 **CALCULATION UNDER THIS PARAGRAPH IS GRANTED, THE MAINTENANCE OF**  
29 **EFFORT CALCULATION SHALL BE REBASED TO THE AVERAGE AMOUNT OF**  
30 **EXPENDITURES FOR FIRE PROTECTION FROM SOURCES OTHER THAN THE FUND**  
31 **DURING THE 3 PRECEDING FISCAL YEARS.**

32                   **(7) A WAIVER GRANTED BY EITHER THE BOARD OF PUBLIC**  
33 **WORKS OR THE GENERAL ASSEMBLY MAY NOT RELIEVE A COUNTY OF THE**  
34 **REQUIREMENT UNDER SUBSECTION (B)(1) OF THIS SECTION.**

1            ~~[(d)]~~ **(E)**     (1)     The money distributed under this subtitle and allocated to a  
2 county shall be ~~[accounted for and]~~:

3                            **(I)**     audited in accordance with the procedures for accounting  
4 and auditing of other governmental revenues; **OR**

5                            **(II)**    **ACCOUNTED FOR IN A FORMAT DEVELOPED BY THE**  
6 **DIRECTOR.**

7                            (2)     Money not expended by the county by the end of a fiscal year shall  
8 be placed in a special fund for expenditure in the next succeeding fiscal year.

9                            (3)     (i)     Money distributed under this subtitle that remains  
10 unencumbered or unexpended by the county after the second fiscal year shall be  
11 repaid to the Director for deposit in the ~~[General Fund]~~ **FUND.**

12                            (ii)    The Comptroller may set off any shared revenues due to a  
13 county instead of repayment under this subsection.

14                            **(4)**    **A VOLUNTEER FIRE, RESCUE, OR AMBULANCE COMPANY MAY**  
15 **NOT ENTER INTO A LEGAL OBLIGATION TO ENCUMBER MONEY RECEIVED UNDER**  
16 **THIS SUBTITLE WITH A DURATION OF MORE THAN 2 YEARS WITHOUT PRIOR**  
17 **APPROVAL FROM THE COUNTY.**

18                            **(5)**     **(I)**     **IF A WRITTEN AGREEMENT BETWEEN A COUNTY AND A**  
19 **VOLUNTEER FIRE, RESCUE, OR AMBULANCE COMPANY TO ENCUMBER MONEY**  
20 **BECOMES NULL AND VOID, THE MONEY SHALL BE PLACED IN A SPECIAL FUND**  
21 **FOR EXPENDITURE BY THE COUNTY IN THE NEXT SUCCEEDING FISCAL YEAR.**

22                            **(II)**    **MONEY DISTRIBUTED UNDER THIS PARAGRAPH THAT**  
23 **REMAINS UNENCUMBERED OR UNEXPENDED BY THE COUNTY AFTER THE**  
24 **SECOND FISCAL YEAR SHALL BE REPAID TO THE DIRECTOR FOR DEPOSIT IN**  
25 **THE FUND.**

26                            **(III)**   **THE COMPTROLLER MAY SET OFF ANY SHARED**  
27 **REVENUES DUE TO A COUNTY INSTEAD OF REPAYMENT UNDER THIS**  
28 **PARAGRAPH.**

29                            **(6)**    **IF A VOLUNTEER FIRE, RESCUE, OR AMBULANCE COMPANY**  
30 **CREATES A LEGAL OBLIGATION TO ENCUMBER MONEY RECEIVED FROM THE**  
31 **FUND, THE DIRECTOR SHALL CONSIDER THE LEGAL OBLIGATION TO BE AN**  
32 **ENCUMBRANCE OF THE COUNTY FOR PURPOSES OF THIS SUBTITLE.**

33                            ~~[(4)]~~ **(7)**     (i)     Money distributed under this subtitle to be expended  
34 by a volunteer or municipal fire, rescue, or ambulance company shall be:

1                   1.     maintained in a separate **BANK** account; and

2                   2.     [shall be] **EXCEPT AS PROVIDED IN**  
3 **SUBPARAGRAPH (II) OF THIS PARAGRAPH**, audited in the same manner as other  
4 money of the volunteer or municipal company is audited.

5                   **(II) MONEY DISTRIBUTED UNDER THIS SUBTITLE TO A**  
6 **VOLUNTEER OR MUNICIPAL FIRE, RESCUE, OR AMBULANCE COMPANY MAY BE**  
7 **ACCOUNTED FOR IN A FORMAT DEVELOPED BY THE DIRECTOR.**

8                   **[(ii)] (III)** Copies of the audit of the separate **BANK** account  
9 shall be submitted to the respective county government and to the Maryland  
10 Emergency Management Agency.

11                  **(8) (I) A COUNTY OR MUNICIPALITY MAY HOLD MONEY**  
12 **DISTRIBUTED UNDER THIS SUBTITLE TO A FIRE, RESCUE, OR AMBULANCE**  
13 **COMPANY IN THE COUNTY OR MUNICIPALITY'S BANK ACCOUNT.**

14                  **(II) MONEY HELD BY A COUNTY OR MUNICIPALITY UNDER**  
15 **SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE MAINTAINED IN A BANK**  
16 **ACCOUNT WITH OTHER COUNTY OR MUNICIPAL FUNDS.**

17                  **(III) MONEY HELD BY A COUNTY OR MUNICIPALITY UNDER**  
18 **SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:**

19                   1.     **AUDITED IN ACCORDANCE WITH THE**  
20 **PROCEDURES FOR ACCOUNTING AND AUDITING OF OTHER GOVERNMENTAL**  
21 **REVENUES; OR**

22                   2.     **ACCOUNTED FOR IN A FORMAT DEVELOPED BY**  
23 **THE DIRECTOR.**

24 8-105.

25                  (a)    (1)    On or before December 31 of each year, each county shall submit to  
26 the Director a report for the preceding fiscal year [that states:] **IN THE FORMAT**  
27 **PROVIDED BY THE DIRECTOR.**

28                  **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**  
29 **SUBSECTION SHALL INCLUDE:**

30                   (i)    the amount of money distributed to each recipient and the  
31 purpose of expenditure of this money categorized as provided in § 8-102(f)(1) of this  
32 subtitle;

1 (ii) the amount and disposition of any unencumbered or  
2 unexpended money;

3 (iii) the amount of expenditures for fire protection by the county,  
4 including the amount of money distributed to volunteer fire, rescue, and ambulance  
5 companies from sources other than the Fund; and

6 (iv) the nature and estimated dollar amount of any in-kind  
7 contributions made by the county to volunteer fire, rescue, and ambulance companies.

8 **[(2)] (3)** Each county shall provide a copy of the report required  
9 under paragraph (1) of this subsection, subject to § 2-1246 of the State Government  
10 Article, to the Department of Legislative Services.

11 (b) **(1)** Each year the Director shall report to the Governor and, subject to  
12 § 2-1246 of the State Government Article, to the General Assembly on the information  
13 provided by the counties on the distribution of money provided under this subtitle,  
14 including an assessment of the extent to which the purposes of this subtitle are being  
15 achieved.

16 **(2) THE REPORT UNDER PARAGRAPH (1) OF THIS SUBSECTION**  
17 **SHALL STATE THE AMOUNT OF MONEY DISTRIBUTED BY EACH COUNTY UNDER §**  
18 **8-103(B) OF THIS SUBTITLE TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE**  
19 **COMPANIES.**

20 8-106.

21 **(A) (1) AFTER NOTICE AND AN OPPORTUNITY FOR A HEARING, A**  
22 **COUNTY MAY WITHHOLD MONEY ALLOCATED FOR THE NEXT FISCAL YEAR FROM**  
23 **A FIRE, RESCUE, OR AMBULANCE COMPANY THAT DOES NOT COMPLY WITH THE**  
24 **PROVISIONS OF THIS SUBTITLE.**

25 **(2) THE FAILURE OF A FIRE, RESCUE, OR AMBULANCE COMPANY**  
26 **TO COMPLY WITH THIS SUBTITLE MAY RESULT IN THE FORFEITURE OF THE**  
27 **ALLOCATED MONEY, IN WHOLE OR IN PART.**

28 **(3) MONEY FORFEITED BY A FIRE, RESCUE, OR AMBULANCE**  
29 **COMPANY UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE**  
30 **REALLOCATED BY THE COUNTY TO COMPLIANT FIRE, RESCUE, AND AMBULANCE**  
31 **COMPANIES.**

32 **[(a)] (B)** (1) The Director may withhold money allocated for the next  
33 fiscal year under this subtitle from a county if the county does not comply with this  
34 subtitle.

1                   (2)    After notice and an opportunity for a hearing, failure of a county to  
2 comply with this subtitle may result in the forfeiture of the allocated money, in whole  
3 or in part.

4                   **[(b)] (C)**    Money withheld under this section reverts to the **[General Fund]**  
5 **FUND.**

6                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2014.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.