

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

House Bill 940  
Appropriations

(Carroll County Delegation)

Budget and Taxation

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**Carroll County - Length of Service Award Program - Funds**

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This bill requires the Carroll County Commissioners to provide Length of Service Award Program (LOSAP) payments from a special fund and requires the special fund to be an endowment. The bill also specifies that the current restrictions that exist on typical governmental investments do not apply to the special fund.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County finances would not be materially affected by requiring LOSAP payments to be made from a special fund.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Carroll County Commissioners must provide LOSAP payments to volunteer firefighters from appropriations generated from taxes levied on assessable property. Unexpended funds are reverted to the county's general fund. Article 95 of the Annotated Code of Maryland provides, among other provisions of law, guidelines for local government investment of funds.

**Background:** LOSAP in Carroll County is a pension fund for qualified active volunteer members of the Carroll County volunteer fire companies. Carroll County has 14 fire and rescue stations with 42 paid officers and approximately 1,100 volunteer officers.

Each year the county commissioners make an appropriation from the county's general fund to cover the costs of LOSAP payments. Pursuant to this legislation, funding for LOSAP would be treated as a self-sustaining account separate from the county's general fund. The county would be able to fund the program as an endowment. In addition, the bill removes the current restrictions that exist on typical governmental investments. Through greater flexibility in investment, the special fund should eventually become self-sustaining through interest earnings.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Carroll County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2003  
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