
By: **Senator DeGrange**
Introduced and read first time: January 26, 2005
Assigned to: Budget and Taxation

Committee Report: Favorable
Senate action: Adopted
Read second time: March 7, 2005

CHAPTER_____

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)

1 BY repealing and reenacting, with amendments,
2 Article - Public Safety
3 Section 8-204, 8-205, 8-208, and 8-209
4 Annotated Code of Maryland
5 (2003 Volume and 2004 Supplement)

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

8 **Article - Public Safety**

9 8-201.

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

16 8-202.

- 17 (a) There is a Volunteer Company Assistance Fund.
- 18 (b) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302
19 of the State Finance and Procurement Article.
- 20 (2) The Treasurer shall hold the Fund separately and the Comptroller
21 shall account for the Fund.
- 22 (c) After consultation with the Association, the Governor may include in the
23 State budget each year an appropriation to the Fund.
- 24 (d) (1) Any investment earnings of the Fund shall be credited to the Fund.
- 25 (2) Repayments on loans from the Fund shall be placed in the Fund and
26 made available to fund grant or loan requests.
- 27 (e) For the purpose of making loans under this subtitle, the Association shall:
- 28 (1) develop loan criteria;
- 29 (2) develop loan terms, including interest rates; and
- 30 (3) recommend to the Board of Public Works the approval or denial of
31 loans.

1 [8-203.

2 (a) The Comptroller may audit the financial affairs of the Association to
3 ensure compliance with this subtitle.

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

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

9 (ii) documentation of actual expenditures.

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

14 (c) The Legislative Auditor shall:

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

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

20 [8-204.] 8-203.

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

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

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

28 (2) communications equipment;

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

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

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

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

3 (ii) If a volunteer company cannot reasonably provide the required
4 match before the [money] GRANT is disbursed, the Board of Public Works may waive
5 the requirement or may allow repayment of the match within a reasonable time not
6 exceeding 18 months after the purchase, replacement, or improvement of the
7 equipment or facilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 [8-205.] 8-204.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 [8-208.] 8-205.

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

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

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

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

10 (3) publish and distribute fire prevention material;

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

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

16 [8-209.] 8-206.

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

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

22 (2) FOR each GRANT OR LOAN MADE:

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

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

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

27 [(4)] (3) for each volunteer company that received a grant or loan:

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

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

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

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

6 (b) The Department shall:

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

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

13 (C) THE LEGISLATIVE AUDITOR MAY:

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

18 (2) REPORT THE FINDINGS TO THE DEPARTMENT AND, SUBJECT TO §
19 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE JOINT AUDIT COMMITTEE OF
20 THE GENERAL ASSEMBLY.

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
24 General Assembly that appropriations to the Volunteer Company Assistance Fund
25 established under § 8-202 of the Public Safety Article shall cease after Fiscal Year
26 2021 or after the State has contributed \$20,000,000 to the Fund, whichever occurs
27 first.

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

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

