
By: **Delegates Glassman, Bozman, Conway, Costa, Jennings, Malone, Moe,
Parrott, Sossi, Stull, and Weir**

Introduced and read first time: February 16, 2006

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety - Volunteer Company Assistance Fund - Grants and Loans**

3 FOR the purpose of clarifying that certain permissible reasons for awards from the
4 Volunteer Company Assistance Fund apply only to grants from the Fund;
5 altering a prohibition on certain grant or loan awards from being used to
6 refinance certain debts or obligations; clarifying that certain requirements
7 regarding documents to be included with requests for awards from the Fund
8 only apply to loan requests; clarifying that a requirement that a certain
9 volunteer company certify that the company made a certain application and was
10 denied only applies to grant requests; altering the circumstances under which a
11 volunteer company may appeal certain actions of the Maryland State Firemen's
12 Association; providing that the Treasurer shall disburse certain money from
13 Fund to the Association; altering a requirement that a certain volunteer
14 company submit certain financial statements to the Association; providing that
15 the intent of the General Assembly is that the Governor include an
16 appropriation for the Fund in the annual State budget; and generally relating to
17 grants and loans from the Volunteer Company Assistance Fund.

18 BY repealing and reenacting, with amendments,
19 Article - Public Safety
20 Section 8-203, 8-204, and 8-206
21 Annotated Code of Maryland
22 (2003 Volume and 2005 Supplement)

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

25 **Article - Public Safety**

26 8-203.

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

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

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

6 (2) communications equipment;

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

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

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

13 (c) (1) (i) A volunteer company receiving a grant from the Fund shall
14 provide at least a 30% match of the amount of the grant.

15 (ii) If a volunteer company cannot reasonably provide the required
16 match before the grant is disbursed, the Board of Public Works may waive the
17 requirement or may allow repayment of the match within a reasonable time not
18 exceeding 18 months after the purchase, replacement, or improvement of the
19 equipment or facilities.

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

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

25 (3) Loans from the Fund may only be awarded to assist with up to 75% of
26 the total cost of the equipment or facilities being purchased.

27 (d) After a favorable recommendation from the Association, the Board of
28 Public Works may award a grant, loan, or both from the Fund to a volunteer company
29 if:

30 (1) FOR A GRANT AWARD:

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

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

1 (2) the Association and the volunteer company have executed an
2 agreement that:

3 (i) provides that the grant or loan will be used as represented to
4 the Board of Public Works in the request for approval; and

5 (ii) gives to the State security in the equipment or facilities
6 purchased with the [grant or] loan and in the proceeds of that equipment or those
7 facilities as determined by the Board of Public Works to be appropriate and adequate.

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

9 (1) be used to refinance a debt or other obligation of a volunteer company
10 [incurred before July 1, 1982]; or

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

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

16 8-204.

17 (a) (1) A volunteer company shall submit each request for a grant or loan
18 from the Fund to the Association for approval by a board of review in accordance with
19 the Association's bylaws.

20 (2) Each request for a [grant or] loan shall include:

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

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

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

25 (3) For each request for a grant [or loan] from the Fund, the volunteer
26 company shall certify that the volunteer company applied for money from its local
27 government and was denied, either wholly or partly.

28 (b) (1) If the Association disapproves a request or does not take action
29 within [45] 90 days after the request FOR ANY REASON OTHER THAN BECAUSE
30 FUNDS ARE NOT AVAILABLE, the volunteer company requesting a grant or loan may
31 appeal to a panel composed of the president of the Association, the State Fire
32 Marshal, and the chairman of the Fire and Rescue Education and Training
33 Commission.

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

1 (c) On approval of a request for a grant or loan, the Association or the panel
2 shall transmit its recommendation to the Board of Public Works.

3 (d) As authorized by the Board of Public Works, the Treasurer shall disburse
4 money from the Fund to THE ASSOCIATION IN THE NAME OF a volunteer company for
5 the purposes of this subtitle on warrant of the Comptroller.

6 8-206.

7 (a) On or before August 30 of each fiscal year, the Association shall submit to
8 the Department, the Legislative Auditor, and to the Board of Public Works an annual
9 report that includes:

10 (1) the number and total amount of grants AND the number and total
11 amount of loans made in the previous fiscal year;

12 (2) for each grant or loan made:

13 (i) the volunteer company that received the grant or loan;

14 (ii) the amount of the grant or loan; and

15 (iii) the specific purpose of making the grant or loan;

16 (3) for each volunteer company that received a grant or loan:

17 (i) the financial statement of the volunteer company for the
18 previous fiscal year or the year in which the grant or loan was received, whichever is
19 [more recent] AVAILABLE; and

20 (ii) documentation of the volunteer company's actual expenditures
21 from the grant or loan;

22 (4) for each loan made, the terms of the loan, including origination date,
23 loan term, payment terms, payment amount, payments made to date, outstanding
24 balance, and loan status; and

25 (5) summary listings of grants and loans made during the previous fiscal
26 year and outstanding loans, by county.

27 (b) The Department shall:

28 (1) review the documentation submitted in accordance with subsection
29 (a) of this section on an annual basis to determine if each grant or loan was spent in
30 accordance with this subtitle and the request approved by the Board of Public Works;
31 and

32 (2) report the findings to the Senate Budget and Taxation Committee
33 and the House Appropriations Committee on an annual basis.

34 (c) The Legislative Auditor may:

1 (1) review the documentation submitted in accordance with subsection
2 (a) of this section to determine if each grant or loan was spent in accordance with this
3 subtitle and the requests approved by the Board of Public Works; and

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

6 (d) The Comptroller may audit the financial affairs of the Association to
7 ensure compliance with this subtitle.

8 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
9 General Assembly that the Governor shall include in the annual State budget an
10 appropriation for the Volunteer Company Assistance Fund.

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2006.