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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

Re-referred to: Health and Government Operations, February 27, 2006

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 2006

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CHAPTER \_\_\_\_\_

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 repealing a prohibition against the Board of Public  
 9 Works making certain loans from the Fund if a certain volunteer company has  
 10 not made a good faith effort to obtain money from its local government;  
 11 clarifying that a requirement that a certain volunteer company certify that the  
 12 company made a certain application and was denied only applies to grant  
 13 requests; altering the circumstances under which a volunteer company may  
 14 appeal certain actions of the Maryland State Firemen's Association; providing  
 15 that the Treasurer shall disburse certain money from Fund to the Association;  
 16 altering a requirement that a certain volunteer company submit certain  
 17 financial statements to the Association; providing that the intent of the General  
 18 Assembly is that the Governor include an appropriation for the Fund in the  
 19 annual State budget; and generally relating to grants and loans from the  
 20 Volunteer Company Assistance Fund.

21 BY repealing and reenacting, with amendments,

22 Article - Public Safety

23 Section 8-203, 8-204, and 8-206

24 Annotated Code of Maryland

1 (2003 Volume and 2005 Supplement)

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

4 **Article - Public Safety**

5 8-203.

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

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

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

13 (2) communications equipment;

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

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

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

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

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

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

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

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

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

4 (1) FOR A GRANT AWARD:

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

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

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

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

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

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

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

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

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

25 8-204.

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

29 (2) Each request for a {grant or} loan shall include:

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

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

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

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

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

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

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

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

16 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 an annual  
19 report that includes:

20 (1) the number and total amount of grants AND 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 the grant or loan;

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

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

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

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

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

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

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

3 (b) The Department shall:

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

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

10 (c) The Legislative Auditor may:

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

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

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

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

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