

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 733

(Delegate Beitzel)

Environmental Matters

Education, Health, and Environmental Affairs

Garrett County - Volunteer Fire Departments and Rescue Squads - Emergency Services Board

This bill establishes a Garrett County Emergency Services Board with specified purposes and duties. The bill makes changes regarding when county payments are made to volunteer fire departments and rescue squads. Requirements of volunteer fire departments and rescue squads that receive county funding are modified and the required uses of funds provided to those entities are expanded. The county is authorized to withhold funds under specified conditions. The bill also repeals the minimum property tax rate imposed by the county for volunteer fire departments and specifies that the minimum property tax rate for volunteer rescue squads becomes the maximum tax rate.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Any expense reimbursements for board members or board staffing costs for Garrett County are assumed to be minimal and absorbable within existing budgeted resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: The Garrett County Emergency Services Board, established by the bill, is required to:

- develop and recommend policies and standard operating procedures for volunteer fire departments and rescue squads, subject to certain requirements;
- offer assistance in obtaining grant funding, grant preparation, and otherwise provide direction and support for solutions to special funding needs;
- evaluate staffing, dispatch, and communications issues and recommend solutions with input from the Garrett County Volunteer Fire and Rescue Association;
- ensure that members of the Garrett County Volunteer Fire and Rescue Association remain in compliance with all necessary financial disclosures and the length of service award program eligibility, in conjunction with the Garrett County Department of Financial Services; and
- oversee the quality assurance and improvement programs and activities of the Garrett County Medical Review Board, in conjunction with the county medical advisor.

The board is the final step in the establishment of primary and secondary service areas for fire, rescue, and ambulance services in Garrett County. The bill transfers responsibility for resolving disputes related to service areas, mutual aid agreements, or communications from the Garrett County Volunteer Fire and Rescue Association, to the newly established board, and specifies how disputes must be resolved.

The bill repeals the minimum property tax rates imposed by Garrett County for funding volunteer fire departments and increases the frequency with which the county commissioners is required to make payments to the volunteer fire departments. The bill also establishes the current minimum payments made from property tax assessments for funding rescue squads as a maximum amount and makes a minor change to when those payments are provided. The bill modifies the required uses of funds provided to both volunteer fire departments and rescue squads to include such items as the construction, maintenance, or repair of facilities and grounds necessary for hosting community events; providing emergency shelter, or enhancing fundraising or operations capability; the promotion, retention, or recruitment of membership; and other special expenditures under certain conditions.

Finally, the bill modifies requirements for volunteer fire departments and rescue squads that receive county funds and authorizes the county commissioners to withhold funds if they fail to meet all the standards and policies recommended by the newly established board.

Current Law: The Garrett County Volunteer Fire and Rescue Association is responsible for the establishment of primary and secondary service areas for fire, rescue, and ambulance services in the county and for resolving disputes concerning service areas, mutual aid agreements, or communications.

Garrett County is authorized to impose a special property tax to provide funding for volunteer fire departments. The rate must be between \$0.02 and \$0.04 per \$100 of assessment for real property and between \$0.05 and \$0.10 per \$100 of assessment for personal property and operating real property of a public utility. That levy is required to be paid to volunteer fire departments no later than July 1 of each year. Funds may only be used for the purchase, maintenance, and repair of firefighting apparatus and equipment and the construction, maintenance, or repair of buildings necessary for firefighting purposes. Fire departments that receive funding must file an annual report with the county commissioners.

The county commissioners are required to appropriate and pay to rescue squads in the county a total amount per year equal to not less than \$0.008 per \$100 on the assessable real property in the county other than operating real property of a public utility and \$0.02 per \$100 on the assessable personal property and operating real property of a public utility. Payments are made semiannually in January and in June. Funds may only be used for the purchase, maintenance, and repair of rescue apparatus and equipment or for the maintenance and repair of buildings necessary for rescue squad operations. Rescue squads that receive funding must file a specified annual report.

Background: The Maryland State Firemen's Association (MSFA) grant program includes the Volunteer Company Assistance Fund, which provides grants and loans to assist companies with purchases, replacement, or refurbishing of equipment or structures; the Trustee's Relief Account; and administrative expenses. The proposed fiscal 2011 State budget includes \$3.1 million in general and special funds for grants to MSFA.

Local Fiscal Effect: Revenues collected from the county's special fire property tax is distributed to volunteer fire departments twice a year – in January and in June. The disbursements totaled \$974,300 in fiscal 2008 and \$1.3 million in fiscal 2009. Each volunteer fire department received \$88,544 in fiscal 2008 and \$117,424 in fiscal 2009, except the Oakland Volunteer Fire Company which received \$88,844 in fiscal 2008 and \$117,724 in fiscal 2009. In fiscal 2010, the volunteer fire departments in the county will receive \$148,948 and the Oakland Volunteer Fire Company will receive \$149,248. The county indicates the Oakland fire company has historically received \$300 more than the other fires companies each year because it services a larger area of the county than the other companies.

Pursuant to the bill, all 11 volunteer fire companies will receive the same distribution. As a result, the Oakland Volunteer Fire Company will lose \$300 annually.

Revenues collected from the special property tax for rescue squads was \$311,800 in fiscal 2008 and \$344,500 in fiscal 2009. In fiscal 2010, revenues are projected to total \$374,600. The current county fire tax rate for rescue squads is \$0.008 per 100 of assessment for real property and \$0.02 per \$100 assessment for personal property (public utilities).

Additional Information

Prior Introductions: None.

Cross File: SB 615 (Senator Edwards) - Education, Health, and Environmental Affairs.

Information Source(s): Garrett County, Maryland Institute for Emergency Medical Services Systems, Department of State Police, Department of Legislative Services

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