

Chapter 332

(House Bill 778)

AN ACT concerning

**Local Government – Fire, Rescue, and Ambulance Funds – Distribution of
~~Money to Volunteer Companies~~**

FOR the purpose of requiring that each county distribute a certain minimum percentage of funds that the county receives from the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to volunteer fire, rescue, and ambulance companies; providing a formula by which the amount of the money required to be distributed under this Act shall be calculated; requiring the Director of the Maryland Emergency Management Agency to submit an annual report to the General Assembly on the amount of money distributed by each county to volunteer companies; requiring each county to include certain information in a certain report; establishing a Workgroup to Study the Laws and Policies Related to the Distribution of Money to Volunteer and Career Companies; providing for the membership and duties of the Workgroup; providing for the designation of a chair of the Workgroup; prohibiting members of the Workgroup from receiving compensation; authorizing members to receive certain reimbursement; requiring the Workgroup to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing for the application of this Act; providing for the termination of certain provisions of this Act; and generally relating to the distribution of money from the Senator William H. Amoss Fire, Rescue, and Ambulance Fund.

BY repealing and reenacting, without amendments,
Article – Public Safety
Section 8–102(a), (b), (d), and (f)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Safety
Section 8–103, 8–104, and 8–105
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

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

Article – Public Safety

8–102.

- (a) There is a Senator William H. Amoss Fire, Rescue, and Ambulance Fund.
- (b) The purposes of the Fund are to promote:
 - (1) the delivery of effective and high quality fire protection, rescue, and ambulance services in the State;
 - (2) increased financial support for fire, rescue, and ambulance companies by counties; and
 - (3) the continued financial viability of volunteer fire, rescue, and ambulance companies given the greatly increased costs of equipment.
- (d) The Fund consists of:
 - (1) money appropriated in the State budget to the Fund; and
 - (2) revenue distributed to the Fund under § 16–609 of the Business Regulation Article.
- (f)
 - (1) State money provided under this section may only be used to:
 - (i) acquire or rehabilitate fire or rescue equipment, including ambulances;
 - (ii) acquire or rehabilitate capital equipment used in connection with fire or rescue equipment; and
 - (iii) rehabilitate facilities used primarily to house fire fighting equipment, ambulances, and rescue vehicles.
 - (2) State money provided under this section may not be used:
 - (i) for administrative costs;
 - (ii) for compensation or fringe benefits to employees or members of county governments, or fire, rescue, or ambulance companies;
 - (iii) for travel or meal expenses;
 - (iv) for fuel, utility, or routine maintenance costs of facilities or equipment;

- (v) to acquire new or replacement fire hydrants, water mains, or emergency alarm systems not installed at a fire, rescue, or ambulance facility;
- (vi) for insurance;
- (vii) for fund-raising activities;
- (viii) to refinance debt or another obligation incurred before July 1, 1985;
- (ix) to replace or repair eligible items to the extent that insurance proceeds are available;
- (x) for costs associated with the "9-1-1" emergency telephone system; or
- (xi) for land or interests in land.

8-103.

(a) Subject to subsection [(b)] (C) of this section, each county shall receive an initial allocation of money based on a percentage to be determined in the following manner:

(1) the Director of Assessments and Taxation shall certify to the Director each county's total percentage of land use property tax accounts, including vacant unimproved properties, relative to the statewide total of all land use property tax accounts for the first completed fiscal year immediately preceding the fiscal year for which money is to be allocated;

(2) except as provided in item (3) of this subsection, the percentage determined in item (1) of this subsection shall then be applied for each county to any amount included in the State budget for the purposes of this subtitle; and

(3) each county shall receive an allocation of at least 2% of the total Fund as appropriated in the State budget, in addition to the amount that is distributed to fire, rescue, and ambulance companies, departments, or stations located in qualified municipal corporations in accordance with subsection [(b)] (C) of this section.

(B) (1) IN ACCORDANCE WITH THE FORMULA PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH COUNTY SHALL DISTRIBUTE A MINIMUM PERCENTAGE OF FUNDS THAT THE COUNTY RECEIVES FROM THE FUND TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES.

(2) THE PERCENTAGE OF FUNDS REQUIRED TO BE DISTRIBUTED BY EACH COUNTY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE EQUAL TO THE SAME TOTAL PERCENTAGE OF FUNDS DISTRIBUTED BY EACH COUNTY TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES FROM THE FUND IN FISCAL YEAR 2011 OR AT LEAST 51% OF THE ALLOCATION RECEIVED BY EACH COUNTY UNDER SUBSECTION (A) OF THIS SECTION, WHICHEVER IS GREATER.

(3) SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE DIRECTOR SHALL REPORT BY DECEMBER 31 OF EACH YEAR TO THE GENERAL ASSEMBLY ON THE FUNDS DISTRIBUTED BY EACH COUNTY UNDER PARAGRAPH (2) OF THIS SUBSECTION TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES.

(4) THIS SUBSECTION DOES NOT APPLY TO:

(I) BALTIMORE CITY; OR

(II) DISTRIBUTIONS MADE TO FIRE, RESCUE, AND AMBULANCE COMPANIES, DEPARTMENTS, OR STATIONS LOCATED IN QUALIFIED MUNICIPAL CORPORATIONS IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

[(b)] (C) (1) Subject to paragraph (6) of this subsection, each county shall distribute the money provided under this subtitle on the basis of need to fire, rescue, and ambulance companies, departments, or stations in the county, including companies, departments, or stations:

(i) located in municipal corporations; or

(ii) located outside the State if the company, department, or station:

1. has been a member of the Maryland State Firemen's Association for at least the past 10 years; and

2. has a first due response area in the State.

(2) Each county shall determine need in accordance with procedures that the county uses to adopt its budget.

(3) In determining need under this subsection, the county shall consider:

(i) the failure to meet minimum standards established by the county or the Maryland State Firemen's Association;

(ii) the existence or potential existence of an emergency situation as described in § 8-203 of this title;

(iii) the age and condition of existing facilities and equipment;

(iv) the lack of availability of mutual aid;

(v) any service problems associated with demographic conditions; and

(vi) any other relevant factors.

(4) In addition to consideration of the factors in paragraph (3) of this subsection, for a volunteer company the county shall consider the company's inability to raise money to pay for the item.

(5) Notwithstanding paragraphs (3) and (4) of this subsection, each county shall give the highest funding priority to the failure to meet minimum standards or the existence of an emergency situation as described in § 8-203 of this title.

(6) Distribution of money to fire, rescue, and ambulance companies, departments, or stations located in qualified municipal corporations in a county in the aggregate may not be less than 50% of the proportion that the expenditures of the qualified municipal corporation bear to total aggregate expenditures for fire protection in that county.

(7) To receive money under this subsection, each county shall participate in the Maryland Fire Incident Reporting System and Ambulance Information System.

8-104.

(a) (1) (i) The money distributed under this subtitle shall be used by each county for the purposes listed in § 8-102(f)(1) of this subtitle as an addition to and may not be substituted for any money appropriated from sources other than the Fund.

(ii) In each fiscal year, each county shall make expenditures for fire protection from sources other than the Fund in an amount that is at least equal to the average amount of the expenditures for fire protection during the 3 preceding fiscal years.

(iii) Except as provided in paragraph (2) of this subsection, a county that fails to satisfy the requirements of this subsection may not receive money under this subtitle for that fiscal year.

(2) For each fiscal year, each county that fails to satisfy the requirements of paragraph (1) of this subsection may receive money under this subtitle subject to a penalty equal to the percentage by which the county fails to meet the county's maintenance of effort for that fiscal year.

(b) (1) Each county shall make expenditures for fire protection from its own sources that are at least equal to the amount of State money to be received.

(2) A county may receive less than the amount initially allocated.

(3) In determining the amount of expenditures for fire protection made by a county, before certification, the Director shall review the financial information of the county for the first completed fiscal year before the fiscal year for which State money is appropriated.

(4) Money received from the Emergency Assistance Trust Fund under § 8-203 of this title or other State money may not be used as the match required under this subsection.

(c) (1) Money not distributed to a county because the requirements of subsections (a) and (b) of this section are not satisfied shall be distributed to the counties that meet the requirements of subsections (a) and (b) of this section in accordance with this subsection.

(2) (i) Subject to subparagraph (ii) of this paragraph, each county that meets the requirements of subsections (a) and (b) of this section shall receive an allocation of the money distributed under paragraph (1) of this subsection based on a percentage to be determined in accordance with § 8-103(a) of this subtitle.

(ii) For purposes of determining the percentage allocated to each county under this subsection, the property tax accounts of each county that fails to satisfy the requirements of subsection (a) or (b) of this section shall be excluded from the statewide total.

(3) Each county shall distribute money provided under this subsection in accordance with § [8-103(b)] **8-103(C)** of this subtitle.

(d) (1) The money distributed under this subtitle and allocated to a county shall be accounted for and audited in accordance with the procedures for accounting and auditing of other governmental revenues.

(2) Money not expended by the county by the end of a fiscal year shall be placed in a special fund for expenditure in the next succeeding fiscal year.

(3) (i) Money distributed under this subtitle that remains unencumbered or unexpended by the county after the second fiscal year shall be repaid to the Director for deposit in the General Fund.

(ii) The Comptroller may set off any shared revenues due to a county instead of repayment under this subsection.

(4) (i) Money distributed under this subtitle to be expended by a volunteer or municipal fire, rescue, or ambulance company shall be maintained in a separate account and shall be audited in the same manner as other money of the volunteer or municipal company is audited.

(ii) Copies of the audit of the separate account shall be submitted to the respective county government and to the Maryland Emergency Management Agency.

8-105.

(a) (1) On or before December 31 of each year, each county shall submit to the Director a report for the preceding fiscal year that states:

(i) the amount of money distributed to each recipient and the purpose of expenditure of this money categorized as provided in § 8-102(f)(1) of this subtitle;

(ii) the amount and disposition of any unencumbered or unexpended money; [and]

(iii) the amount of expenditures for fire protection by the county, **INCLUDING THE AMOUNT OF MONEY DISTRIBUTED TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES FROM SOURCES OTHER THAN THE FUND; AND**

(IV) THE NATURE AND ESTIMATED DOLLAR AMOUNT OF ANY IN-KIND CONTRIBUTIONS MADE BY THE COUNTY TO VOLUNTEER FIRE, RESCUE, AND AMBULANCE COMPANIES.

(2) Each county shall provide a copy of the report required under paragraph (1) of this subsection, subject to § 2-1246 of the State Government Article, to the Department of Legislative Services.

(b) Each year the Director shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on the information

provided by the counties on the distribution of money provided under this subtitle, including an assessment of the extent to which the purposes of this subtitle are being achieved.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Workgroup to Study the Laws and Policies Related to the Distribution of Money to Volunteer and Career Companies.

(b) The Workgroup consists of the following members:

(1) two members from the Senate of Maryland, appointed by the President of the Senate on or before July 1, 2013;

(2) two members of the House of Delegates, appointed by the Speaker of the House on or before July 1, 2013;

(3) a representative of the Maryland State Firemen's Association;

(4) a representative of the Maryland Fire Chiefs Association;

(5) a representative of the Metropolitan Fire Chiefs Council of the State of Maryland; and

(6) a representative of the Professional Firefighters of Maryland.

(c) On or before July 1, 2013, the Governor shall appoint a chair of the Workgroup from among its members.

(d) A member of the Workgroup:

(1) may not receive compensation for serving as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The Workgroup shall:

(1) study the adequacy of State laws and policies related to the distribution of money to volunteer and career fire companies; and

(2) consider and make recommendations regarding options for the distribution of State funds to volunteer and career fire companies.

(f) On or before December 1, 2013, the Workgroup shall submit a final report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013. Section 2 of this Act shall remain effective for a period of 5 months and, at the end of November 30, 2013, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 2, 2013.