

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 778

(Delegate Conway, *et al.*)

Health and Government Operations

Education, Health, and Environmental Affairs

Local Government - Fire, Rescue, and Ambulance Funds - Distribution

This bill requires that each county distribute a 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. The bill also creates a Workgroup to Study the Laws and Policies Related to the Distribution of Money to Volunteer and Career Companies, with a final report due by December 1, 2013.

The bill takes effect July 1, 2013. The workgroup terminates November 30, 2013.

Fiscal Summary

State Effect: Any expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: While the bill has no direct fiscal impact on any jurisdiction, it may cause changes in local operations pursuant to distributions of Amoss Fund allocations. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: Under the bill, the percentage of Amoss funds required to be distributed by each county must 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 2011 or at least 51% of the allocation received by each county under the current distribution methodology, whichever is greater.

The Director of the Maryland Emergency Management Agency (MEMA) must report by December 31 of each year to the General Assembly on the amount of money distributed by each county to volunteer fire, rescue, and ambulance companies. These provisions do not apply to Baltimore City or distributions made to fire, rescue, and ambulance companies, departments, or stations located in qualified municipalities in accordance with specified current law restrictions.

The bill also requires that the annual report submitted by each county to MEMA on Amoss Fund fire protection expenditures include the amount of money distributed to volunteer companies from sources other than the fund and state the nature and estimated dollar amount of any in-kind contributions made by the county to volunteer companies.

The bill specifies the membership of the workgroup and requires the Governor to appoint a chair. Workgroup members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

The workgroup is required to (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. A final report of the workgroup must be submitted to the Governor, the Senate Budget and Taxation Committee, and the House Appropriations Committee by December 1, 2013.

Current Law: The Senator William H. Amoss Fire, Rescue, and Ambulance Fund provides grants to local jurisdictions for the purchase of fire and rescue equipment and capital building improvements. These grants are administered by MEMA. Distributions are made according to each county's percentage of total property tax accounts relative to the statewide total. Each county is guaranteed a minimum 2% share of total funds, in addition to the amounts that are distributed to qualifying municipalities. Local jurisdictions must expend funds for fire protection from its own sources that are at least equal to the amount of State funds to be received. The fund receives \$10.0 million in special funds annually.

Each county is required to distribute Amoss funds on the basis of need to fire, rescue, and ambulance companies; departments; or stations in the county. Each county must determine need in accordance with procedures that the county uses to adopt its budget. In determining need, the county must consider all relevant factors, as specified, as well as the company's inability to raise money to pay for an item.

Money distributed and allocated to a county must be accounted for and audited in accordance with the procedures for accounting and auditing of other governmental revenues. Money not expended by the county by the end of a fiscal year must be placed

in a special fund for expenditure in the next succeeding fiscal year. Distributed money that remains unencumbered or unexpended by the county after the second fiscal year must be repaid to MEMA for deposit in the general fund. Money distributed to be expended by a volunteer or municipal fire, rescue, or ambulance company must be maintained in a separate account and must be audited in the same manner as other money of the volunteer or municipal company is audited. Copies of the audit of the separate account must be submitted to the respective county government and to MEMA.

By December 31 of each year, each county is required to submit a report to MEMA for the preceding fiscal year that states:

- the amount of money distributed to each recipient and the purpose of the expenditure of this money;
- the amount and disposition of any unencumbered or unexpended money; and
- the amount of expenditures for fire protection by the county.

Each county must provide a copy of this report to the Department of Legislative Services. Each year MEMA must report to the Governor and the General Assembly on the information provided by the counties on the distribution of Amoss Fund money, including an assessment of the extent to which the purposes of the fund are being achieved.

Background: Amoss Fund distributions to local jurisdictions for fiscal 2011 through 2014 are shown in **Exhibit 1**.

Exhibit 1
State Aid for Local Fire and Rescue Services
Under the Senator Amoss Fund

County	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Allegany	\$224,948	\$219,596	\$237,989	\$237,989
Anne Arundel	810,309	812,952	812,218	812,218
Baltimore City	931,030	928,437	924,493	924,493
Baltimore	1,165,923	1,164,671	1,161,358	1,161,358
Calvert	200,000	200,000	200,000	200,000
Caroline	206,537	208,629	208,526	208,526
Carroll	260,708	260,536	259,836	259,836
Cecil	205,714	205,729	206,005	206,005
Charles	243,465	244,353	245,821	245,821
Dorchester	208,322	206,712	203,200	203,200
Frederick	365,086	365,103	365,414	365,414
Garrett	200,000	200,000	200,000	200,000
Harford	379,143	382,384	382,386	382,386
Howard	396,741	399,636	399,616	399,616
Kent	203,707	203,418	205,098	205,098
Montgomery	1,306,447	1,307,365	1,303,272	1,303,272
Prince George's	1,143,775	1,141,134	1,137,447	1,137,447
Queen Anne's	200,000	200,000	200,000	200,000
St. Mary's	200,000	200,000	200,000	200,000
Somerset	207,817	208,907	208,751	208,751
Talbot	216,137	215,767	216,023	216,023
Washington	232,099	231,614	230,631	230,631
Wicomico	229,920	231,663	232,056	232,056
Worcester	262,172	261,394	259,860	259,860
Total	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000

Source: Governor's Fiscal 2014 Budget Books

State Fiscal Effect: According to MEMA, county governments already distribute more than 51% of Amoss Fund allocations to volunteer companies in their respective jurisdictions. Accordingly, the bill should have no direct fiscal impact on Amoss Fund allocations or distributions. However, MEMA indicates that the bill may be in conflict with the current law provision that requires the counties to distribute Amoss funds on the basis of need to fire, rescue, and ambulance companies; departments; or stations in the county. MEMA also notes that, under current law, distributions of Amoss funding may be withheld if statutory reporting requirements are not met by a county or a volunteer company.

Local Fiscal Effect: Since county governments already distribute more than 51% of Amoss Fund allocations to volunteer companies in their respective jurisdictions, the bill should not have any direct fiscal impact on local finances. However, county operations may be impacted to the extent that the tracking of Amoss Fund allocations under the bill necessitates the creation of dedicated special accounts to receive and distribute annual allocations.

For example, Anne Arundel County reports that Amoss Fund allocations to the county (estimated at about \$812,000 for fiscal 2014) are deposited into the county's general fund. The total annual grants distribution from Anne Arundel County to volunteer companies is between \$1.6 million and \$1.9 million, which does not include fuel and maintenance. In fiscal 2012, those additional costs totaled about \$500,000. Anne Arundel County also reports that the county also provides other in-kind contributions to the volunteer companies, such as training and apparatus testing and maintenance.

Additional Information

Prior Introductions: Similar legislation was introduced in the 2012 session. SB 1087 passed the Senate with amendments, was referred to the House Rules and Executive Nominations Committee, and had no further action taken on it. Its cross file, HB 1423, received a hearing in the House Health and Government Operations Committee and had no further action taken on it.

Cross File: SB 899 (Senator Mathias, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel County, Baltimore City, Military Department, Department of Legislative Services

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