

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 255 (Chair, Education, Energy, and the Environment  
Committee)(By Request - Departmental - Maryland  
Department of Emergency Management)

Education, Energy, and the Environment

Health and Government Operations

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**Public Safety - Volunteer Company Assistance Fund - Alterations**

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This departmental bill transfers the Volunteer Company Assistance Fund (VCAF) from the Military Department to the Maryland Department of Emergency Management (MDEM).

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**Fiscal Summary**

**State Effect:** None. The bill codifies existing practice, as discussed below in the Current Law/Background section.

**Local Effect:** None.

**Small Business Effect:** MDEM has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Current Law/Background:**

*Maryland Department of Emergency Management*

Chapters 287 and 288 of 2021 established MDEM as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency (MEMA), which had been housed within the Military Department. MDEM is responsible for coordinating the State response in any major emergency or

disaster. This includes supporting local governments as needed or requested and coordinating assistance with the Federal Emergency Management Agency and other federal partners. MDEM manages many of the federal grants that fund a broad range of initiatives leading to enhanced protection from and responses to the full range of natural and man-made disasters that could threaten the State's citizens.

### *Volunteer Company Assistance Fund*

VCAF is a special, nonlapsing fund, the stated purpose of which is to ensure adequate fire protection and rescue services in the State. A grant or loan awarded from the fund must be used only for purchasing, replacing, or improving (1) specified equipment and vehicles used for firefighting and emergency services; (2) communications equipment; (3) specified protective equipment; (4) any other equipment necessary to carry out the ordinary functions of supporting firefighting and rescue activities; or (5) facilities used to house firefighting equipment, ambulances, and rescue vehicles.

MEMA administered the fund when it was an agency within the Military Department. Although statute assigns responsibility for administering the fund to the Military Department, MDEM advises that it currently controls and administers the fund through an interagency agreement formed with the Military Department in 2021. According to MDEM, the Military Department transferred the position for the employee who manages VCAF to MDEM following MDEM's transition to an executive department, and the fiscal 2025 budget as introduced lists the fund under MDEM. MDEM advises that as of January 2024, the fund balance is approximately \$34.1 million, with \$6.1 million available for future loans.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Emergency Management; Department of Legislative Services

**Fiscal Note History:** First Reader - January 29, 2024  
rh/aad Third Reader - February 16, 2024

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## **Analysis Of Economic Impact On Small Businesses**

TITLE OF BILL: Public Safety - Volunteer Company Assistance Fund – Alterations

BILL NUMBER: SB0255

PREPARED BY: Anna Sierra, MDEM

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**

This bill proposes a technical fix to codify current administrative roles related to the Volunteer Company Assistance Fund. Small businesses are not eligible for this funding.