

No. 1990-100

AN ACT

HB 591

Amending the act of July 15, 1976 (P.L.1036, No.208), entitled, as amended, "An act authorizing the indebtedness, with the approval of the electors, of twenty-five million dollars for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties," providing for an exception to loan limits and adjusting loan limits; providing for a referendum question on additional indebtedness; providing for contracts for services between the Commonwealth and volunteer fire, ambulance and rescue companies; and making appropriations.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The title of the act of July 15, 1976 (P.L.1036, No.208), known as the Volunteer Fire Company, Ambulance Service and Rescue Squad Assistance Act, amended May 11, 1982 (P.L.407, No.118), is amended to read:

AN ACT

Authorizing the indebtedness, with the approval of the electors, of ~~[twenty-five]~~ *fifty* million dollars for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties.

Section 2. Section 3 of the act is amended by adding a definition to read:

Section 3. Definitions.—As used in this act:

* * *

"Rescue vehicle" means any vehicle, whether a motor vehicle or a watercraft, used for rescue services.

* * *

Section 3. Section 4(a)(2) and (6) and (b) of the act, amended June 13, 1980 (P.L.217, No.65) and May 11, 1982 (P.L.407, No.118), are amended and the section is amended by adding a subsection to read:

Section 4. Assistance to Volunteer Fire Companies, Ambulance Service and Rescue Squads.—(a) The department is hereby authorized, upon application of any volunteer fire company, volunteer ambulance service and volunteer rescue squad, to make loans to said volunteer companies for the fol-

lowing purposes:

* * *

(2) Purchasing fire fighting apparatus, ambulances or rescue vehicles. The amount of a loan made for purchasing fire fighting apparatus, to any one volunteer fire company shall not exceed ~~[\$50,000]~~ *\$100,000* for any single fire fighting apparatus equipment or utility or special service vehicle *or heavy duty rescue vehicle as defined by regulation*, or 50% of the total cost of the equipment or vehicle, whichever is less *except for loans for aerial apparatus as defined by regulation, which shall not exceed \$150,000*. The amount of a loan made to any one volunteer fire company, ambulance service or rescue squad for any ambulance or *light duty rescue vehicle as defined by regulation shall not exceed \$50,000* and for a watercraft rescue vehicle shall not exceed ~~[\$25,000]~~ *\$15,000* or 50% of the cost of the ambulance or rescue vehicle, whichever is less, and a notarized financial statement filed under subsection (c) shall show that the applicant has available 20% of the total cost of the vehicle in unobligated funds.

* * *

(6) Purchasing of used fire fighting apparatus, equipment, used ambulances, used rescue vehicles, used communications equipment, used accessory equipment or used protective equipment: Provided, however, That the used vehicles and equipment shall meet the National Fire Protection Association (NFPA) standards: *And provided further, that loans for the purchase of a used single apparatus equipment shall not exceed \$60,000 or 80% of the total cost of the equipment, whichever is less.*

Loans under this act may be made for any of the purposes of this subsection undertaken by a volunteer fire company, volunteer ambulance service and volunteer rescue squad on or after November 4, 1975, the date of the approval of the referendum approving the borrowing of money for the purposes of this act.

(b) Loans made by the department *in the amount of \$100,000 or more* shall be for a period of not more than ~~[ten]~~ *15* years, *loans less than \$100,000 shall be for a period of ten years*, and any loan of the amount of ~~[\$10,000]~~ *\$15,000* or less shall be for a period of not more than five years. Loans shall be subject to the payment of interest at 2% per annum and shall be subject to such security as shall be determined by the department. The total amount of interest earned by the investment or reinvestment of all or any part of the principal of any loan shall be returned to the department and transferred to the Volunteer Companies Loan Fund, and shall not be credited as payment of principal or interest on the loan. The minimum amount of any loan shall be ~~[\$1,000]~~ *\$5,000*.

* * *

(h) *Notwithstanding any other provision of this section to the contrary, the maximum amount of any loan to a volunteer fire company, volunteer ambulance service and volunteer rescue squad for the purchase of fire fighting apparatus, ambulances or rescue vehicles manufactured or assembled in this Commonwealth may exceed the loan limits set forth in this section by \$10,000.*

Section 4. The act is amended by adding sections to read:

Section 18.1. Referendum for Additional Indebtedness.—(a) *The question of incurring indebtedness of \$25,000,000 for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house firefighting apparatus equipment, ambulances and rescue vehicles, and for purchasing firefighting apparatus equipment, ambulances and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties, shall be submitted to the electors at the next primary, municipal or general election following enactment of this act.*

(b) *The Secretary of the Commonwealth shall forthwith certify the question to the county boards of election.*

(c) *The question shall be in substantially the following form:*

Do you favor the incurring of indebtedness of \$25,000,000 for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house firefighting apparatus equipment, ambulances and rescue vehicles, and for purchasing firefighting apparatus equipment, ambulances and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties?

(d) *The election shall be conducted in accordance with the act of June 3, 1937 (P.L.1333, No.320), known as the "Pennsylvania Election Code," except that the time limits for advertisement of notice of the election may be waived as to the question.*

(e) *Proceeds of borrowing shall be used through loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads pursuant to and for any purpose established by this act.*

Section 18.2. Authorization of contracts.—(a) *The Secretary of General Services is hereby authorized to enter into contracts with local volunteer fire, ambulance and rescue companies to provide services necessary to extinguish fires or perform any other allied services on State-owned property.*

(b) *The Secretary of Transportation is hereby authorized to enter into contracts with local volunteer fire, ambulance and rescue companies to provide services necessary to extinguish fires or perform any other allied services on limited access highways, other than the Pennsylvania Turnpike.*

Section 18.3. Reimbursement procedure and amount.—(a) *Any such contract between the Secretary of General Services or the Secretary of Transportation and a local volunteer fire, ambulance and rescue company shall provide that the Department of General Services or the Department of Transportation shall, monthly, upon receipt of proper proof, reimburse each contracted volunteer fire, ambulance and rescue company attending and providing fire control or other allied services on State-owned property or limited access highways, as the case may be, a minimum amount of \$50 for each verified fire or emergency call and the cost of any special extinguishing agents*

utilized, which the volunteer fire, ambulance and rescue company made in the preceding month as certified by the person in charge at the particular State-owned property or by an individual or individuals designated by the Secretary of Transportation to verify services rendered on limited access highways.

(b) Any such contract between the Department of General Services or the Department of Transportation and a local volunteer ambulance or rescue company shall also provide that the ambulance or rescue company request reimbursement from collectible insurance proceeds available as a result of the fire or emergency situation for which the ambulance or rescue company provided allied services. Any such proceeds payable to the ambulance or rescue company shall be deducted from the reimbursement for services provided pursuant to a contract entered into under this act. Prior to payment for services rendered, the local volunteer ambulance or rescue company shall provide proof that they requested reimbursement from collectible insurance proceeds.

(c) A false alarm on State-owned property to which a volunteer fire, ambulance or rescue company responds shall constitute a fire or emergency call and shall be reimbursed at a rate set by the contract with the Secretary of General Services, but shall not be less than \$25 for each occurrence.

Section 18.4. Appropriations.—(a) The sum of \$250,000, or as much thereof as may be necessary, is hereby appropriated to the Department of General Services for the fiscal year ending June 30, 1991, to effectuate the purposes of sections 18.2 and 18.3. All funds unexpended, uncommitted or unencumbered on June 30, 1991, shall lapse.

(b) The sum of \$250,000, or as much thereof as may be necessary, is hereby appropriated to the Department of Transportation for the fiscal year ending June 30, 1991, to effectuate the purposes of sections 18.2 and 18.3. All funds unexpended, uncommitted or unencumbered on June 30, 1991, shall lapse.

Section 5. This act shall take effect immediately.

APPROVED—The 11th day of July, A. D. 1990, except as to the following:

Section 18.4. Appropriations.—(a) The sum of \$250,000, or as much thereof as may be necessary, is hereby appropriated to the Department of General Services for the fiscal year ending June 30, 1991, to effectuate the purposes of sections 18.2 and 18.3. All funds unexpended, uncommitted or unencumbered on June 30, 1991, shall lapse.

(b) The sum of \$250,000, or as much thereof as may be necessary, is hereby appropriated to the Department of Transportation for the fiscal year ending June 30, 1991, to effectuate the purposes of sections 18.2 and 18.3. All funds unexpended, uncommitted or unencumbered on June 30, 1991, shall lapse.

I withhold my approval from both these items.

House Bill 591 authorizes the Departments of General Services and Transportation to enter into contracts with local volunteer fire, ambulance and

rescue companies to extinguish fires or perform any other allied services on State-owned property or limited access highways other than the Pennsylvania Turnpike. It does not mandate that these departments enter into such contracts.

The cost to implement the program by the Department of Transportation is estimated to be approximately \$2 million based on the experience of the Pennsylvania Turnpike Commission which implemented a similar program. The cost impact on the Department of General Services may be similar although a precise cost estimate cannot be made at this time. To implement these programs, the Departments of General Services and Transportation would have to develop communication systems and systems to negotiate contracts, verify services rendered and make monthly payments to the volunteer companies.

The Department of Transportation would also pay at least \$350,000 annually to volunteer companies for reimbursement for rendered services assuming approximately 7,000 accidents per year and a reimbursement rate of at least \$50 per service call. In addition, this minimum cost would increase depending on the reimbursement costs for any special extinguishing agents used by the volunteer companies. The Department of General Services does not maintain similar statistics on the number of incidents at State-owned facilities which makes it difficult to estimate the cost impact on the Department of General Services.

In view of the potentially high cost of these programs, I am disapproving the appropriations contained in House Bill 591 so that the provisions will not be implemented until a further review of these programs can be made.

I am directing the Departments of General Services and Transportation to undertake a study of these programs to determine the cost of implementation and operation, and make a recommendation in conjunction with their 1991-92 budget requests. The study will provide better information to evaluate the feasibility of implementing such programs in a cost effective manner.

I am also directing the Chairman of the Pennsylvania Emergency Management Council to evaluate the new loan limits set in House Bill 591 and determine the likelihood that the utilization of the maximum limits set will lead to defaults on the part of the volunteer companies. Depending on the results of that evaluation, limits below the maximum will be implemented by the Agency to insure that such defaults do not occur.

ROBERT P. CASEY