

No. 2004-5

## AN ACT

HB 900

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 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," authorizing the incurrence of additional debt for loans for assistance to volunteer fire companies, ambulance services and rescue squads; making a repeal; and making editorial changes.

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 July 11, 1990 (P.L.415, No.100), is amended to read:

## AN ACT

Authorizing [the] indebtedness, with the approval of the electors, [of 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 2 of the act, amended March 5, 1992 (P.L.6, No.4), is amended to read:

Section 2. Legislative Findings; Declaration of Purpose.—(a) The General Assembly finds as a fact that pursuant to the provisions of section 7(a)(3) of Article VIII of the Pennsylvania Constitution the voters of the Commonwealth approved by referenda on November 4, 1975, the incurring of indebtedness of \$10,000,000 and on November 3, 1981, approved the incurring of an additional \$15,000,000 of indebtedness and on November 6, 1990, approved the incurring of an additional \$25,000,000 of indebtedness 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.

*(a.1) The General Assembly also finds that, pursuant to the provisions of section 7(a)(3) of Article VIII of the Constitution of Pennsylvania, on November 5, 2002, the voters of this Commonwealth approved by referendum the incurring of indebtedness for the establishment of a program that utilizes capital and other related methods to enhance and improve the delivery of volunteer fire and volunteer emergency services in this Commonwealth. The General Assembly further finds that the use of up to \$50,000,000 of such indebtedness to expand the existing program providing for loans to volunteer fire companies, volunteer ambulance services, and volunteer rescue squads as authorized under this act is an appropriate use of such indebtedness.*

(b) It is the purpose of this act to implement section 5 of the act of September 25, 1975 (P.L.296, No.95), entitled "An act authorizing the indebtedness, with the approval of the electors, of ten 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," and] duties"; section 5 of the act of June 30, 1981 (P.L.138, No.44), entitled "An act authorizing the indebtedness, with the approval of the electors, of \$15,000,000 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," and subsection (e) of section 18.1 of this act; *as well as implement in part section 31.3 of the act of June 29, 2002 (P.L.559, No.89), entitled "An act amending the act of March 4, 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,' further providing, in sales and use tax, for definitions, for imposition, for exclusions, for licenses, for collection, for bulk and auction sales and for crimes; providing, in local tax situs, for situs of mobile telecommunications services; further providing, in personal income tax, for definitions, for classes of income, for special tax provisions*

*for poverty, for contributions, for bulk and auction sales and transfers; in corporate net income tax, for definitions, for imposition and for interest in unincorporated entities; and in capital stock and franchise tax, for definitions, for imposition, for deposit of proceeds, for interest in unincorporated entities and for applicability and expiration; establishing revenue-neutral reconciliation in utilities gross receipts tax; providing, in public utility realty tax and for surcharge; further providing, in realty transfer tax, for furnishing stamps; in cigarette tax, for incidence and rate, for floor tax, for commissions on sales and for disposition of certain funds; in research and development tax credit, for time limitations and for termination; in inheritance tax, for definitions, for transfers not subject to tax and for estate tax and for estate tax returns; providing for immediate assessment, settlement or collection and for depreciation of certain property in cities of the first class; and making repeals,”* by providing for loans to volunteer fire, ambulance and rescue companies to protect the lives and property of the citizens of the Commonwealth pursuant to and to execute the above favorable referenda. The General Assembly has determined that volunteer fire companies are most in need of loans, and therefor intends that, to the extent possible, a significant portion of the Volunteer Companies Loan Fund be used to provide loans to volunteer fire companies and that the balance be allocated to provide loans to volunteer ambulance and volunteer rescue companies. The General Assembly intends that loans provided under this act be used to replace outmoded or unsafe equipment and buildings of volunteer companies, and that loans be provided to volunteer companies which are experiencing a need for equipment or facilities to meet an increasing demand for a higher level of service in the communities which they serve.

Section 3. The definition of “department” in section 3 of the act, amended May 11, 1982 (P.L.407, No.118), is amended and the section is amended by adding a definition to read:

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

\* \* \*

**“Agency” means the Pennsylvania Emergency Management Agency.**

\* \* \*

**[“Department” means the Pennsylvania Emergency Management Agency.]**

\* \* \*

Section 4. Section 4(a) introductory paragraph and (6), (b), (e), (f) and (g) of the act, amended June 13, 1980 (P.L.217, No.65), July 11, 1990 (P.L.415, No.100) and December 12, 1994 (P.L.1065, No.145), is amended to read:

Section 4. Assistance to Volunteer Fire Companies, Ambulance Service and Rescue Squads.—(a) The [**department**] **agency** 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 following purposes:

\* \* \*

(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] agency** in the amount of \$15,000 or less shall be for a period of not more than five years. Loans **[made by the department]** in excess of \$15,000 but for \$50,000 or less shall be for a period of not more than ten years. The payback period of any loan in excess of \$50,000, except a loan for establishing or modernizing facilities, shall not exceed 15 years. The payback period for any loan in excess of \$100,000 for establishing or modernizing facilities shall not exceed 20 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] agency**. 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] agency** and transferred to the Volunteer Companies Loan Fund, and shall not be credited as payment of principal or interest on the loan. **[The] Except as provided in subsection (a)(5) and (7), the** minimum amount of any loan shall be \$5,000.

\* \* \*

(e) Loans made by the **[department] agency** shall be paid from the Volunteer Companies Loan Fund to the volunteer fire companies, ambulance services and rescue squads in accordance with rules and regulations promulgated by the **[department] agency**.

(f) All payments of interest on said loans and the principal thereof shall be deposited by the **[department] agency** in the Volunteer Companies Loan Fund.

(g) A volunteer fire company, ambulance service and rescue squad shall be eligible for a loan under this act regardless of legal ownership in whole or part by any political subdivision of any facilities or apparatus equipment used by the volunteer fire company, volunteer ambulance and volunteer rescue squad. Any equipment or facilities financed under this act may be transferred to a political subdivision served by the volunteer fire company, volunteer

ambulance service or volunteer rescue squad subject to such security as shall be determined by the **[department] agency**.

\* \* \*

Section 5. Section 5 of the act is amended to read:

Section 5. Volunteer Companies Loan Fund.—(a) There is hereby created a special fund in the Treasury Department to be known as the “Volunteer Companies Loan Fund” to which shall be credited all appropriations made by the General Assembly other than appropriations for expenses of administering this act or grants from other sources to the **[department] agency** as well as repayment of principal and interest on loans made pursuant to this act.

(b) Upon approval of the loan, the **[department] agency** shall routinely requisition from the Volunteer Companies Loan Fund such amounts as shall be allocated by the **[department] agency** for loans to volunteer companies. When and as the amounts so allocated **[by the department]** as loans to volunteer companies are repaid **[to the department]** pursuant to the terms of the agreements made and entered into with the **[department, the department] agency, the agency** shall pay such amounts into the Volunteer Companies Loan Fund, it being the intent of this act that the Volunteer Companies Loan Fund shall operate as a revolving fund whereby all appropriations and payments made thereto may be applied and reapplied to the purposes of this act.

Section 6. Section 6 of the act, amended December 12, 1994 (P.L.1065, No.145), is amended to read:

Section 6. Powers and Duties of the **[Department] Agency**.—(a) The powers and duties of the **[department] agency** shall be:

(1) to appoint agents, employees, necessary to the administration of this act, and to prescribe their duties and to fix their compensation within the limitations provided by law;

(2) to accept grants from the Federal Government and any other individual, agency, or government for use in the Volunteer Companies Loan Fund;

(3) to loan money over a term of years, but in no case in excess of 20 years; and

(4) to promulgate such rules and regulations as it deems necessary to carry out its powers and duties under this act.

(b) The powers and duties of the **[department] agency** may be:

(1) to require security for all loans; and

(2) to specify priority of liens against any facilities, apparatus equipment, ambulances, rescue vehicles, or any equipment purchased by volunteer companies using funds loaned under this act to pay all or any part of the purchase price, as the **[department] agency** may require by regulation.

Section 7. Sections 7, 11 and 18 of the act, amended March 5, 1992 (P.L.6, No.4), are amended to read:

Section 7. Authority to Borrow.—Pursuant to the provisions of section 7(a)(3) of Article VIII of the Pennsylvania Constitution and the referenda approved by the electorate on November 4, 1975, November 3, 1981 [and], November 6, 1990, *and November 5, 2002*, the Governor, Auditor General and State Treasurer are hereby authorized and directed to borrow, on the credit of the Commonwealth, money not exceeding in the aggregate the sum of **[\$50,000,000] \$100,000,000** to implement this act, the act of September 25, 1975 (P.L.296, No.95), entitled “An act authorizing the indebtedness, with the approval of the electors, of ten 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,” and the act of June 30, 1981 (P.L.138, No.44), entitled “An act authorizing the indebtedness, with the approval of the electors, of \$15,000,000 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[.]” *as well as implement in part section 31.3 of the act of June 29, 2002 (P.L.559, No.89), entitled “An act amending the act of March 4, 1971 (P.L.6, No.2), entitled ‘An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,’ further providing, in sales and use tax, for definitions, for imposition, for exclusions, for licenses, for collection, for bulk and auction sales and for crimes; providing, in local tax situs, for situs of mobile telecommunications services; further providing, in personal income tax, for definitions, for classes of income, for special tax provisions for poverty, for contributions, for bulk and auction sales and transfers; in corporate net income tax, for definitions, for imposition and for interest in unincorporated entities; and in capital stock and franchise tax, for definitions, for imposition, for deposit of proceeds, for interest in unincorporated entities and for applicability and expiration; establishing revenue-neutral reconciliation in utilities gross receipts tax; providing, in public utility realty tax and for surcharge; further providing, in realty transfer tax, for furnishing stamps; in cigarette tax, for incidence and rate,*

*for floor tax, for commissions on sales and for disposition of certain funds; in research and development tax credit, for time limitations and for termination; in inheritance tax, for definitions, for transfers not subject to tax and for estate tax and for estate tax returns; providing for immediate assessment, settlement or collection and for depreciation of certain property in cities of the first class; and making repeals.”*

Section 11. Disposition and Use of Proceeds.—(a) The proceeds realized from the sale of bonds under the provisions of this act shall be paid into the Volunteer Companies Loan Fund and are specifically dedicated to the purposes of the referenda of November 4, 1975, November 3, 1981 **[and]**, November 6, 1990, **and November 5, 2002**, as implemented by this act. The moneys shall be paid by the State Treasurer periodically to those **[departments, agencies,]** *agencies* or authorities authorized to expend same at such times and in such amounts as may be necessary to satisfy the funding needs of the **[department,]** agency or authority.

(b) Pending their application to the purposes authorized, moneys held or deposited by the State Treasurer may be invested or reinvested as are other funds in the custody of the State Treasurer in the manner provided by law. All earnings received from the investment or deposit of such funds shall be paid into the State treasury to the credit of the Volunteer Companies Loan Fund.

Section 18. Temporary Financing Authorization.—(a) Pending the issuance of bonds of the Commonwealth, the Governor, Auditor General and State Treasurer are authorized on the credit of the Commonwealth to make temporary borrowings of such moneys as may from time to time be necessary to carry out the purposes of this act and are authorized in the name and on behalf of the Commonwealth to enter into loan or credit agreements with any banks or trust companies or other lending institutions or persons in the United States having power to enter into the same.

(b) All temporary borrowings made under the authority of this section shall be evidenced by notes of the Commonwealth, which shall be issued from time to time for such amounts not exceeding in the aggregate the sum of **[\$50,000,000] \$100,000,000** in such form and in such denominations, and subject to such terms and conditions of issue, prepayment or redemption and maturity, rate of interest, and time of payment of interest, as the issuing officials shall direct. All notes issued under the authority of this section shall bear the facsimile signatures of the issuing officials and a facsimile of the Great Seal of the Commonwealth of Pennsylvania, and shall be countersigned by one duly authorized officer of a duly authorized loan and transfer agent of the Commonwealth.

(c) All such notes shall be funded and retired by the issuance and sale of bonds of the Commonwealth to the extent that payment of such notes has not otherwise been made or provided for.

(d) The proceeds of all such temporary borrowings shall be paid into the Volunteer Companies Loan Fund.

Section 8. Sections 18.2 and 18.3 of the act, added July 11, 1990 (P.L.415, No.100), are amended to read:

Section 18.2. Authorization of contracts, *reimbursement procedure and amount.*—(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)]**

(c) 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)] (d)** 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)] (e)** 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 9. Section 18.4 of the act is repealed.

Section 10. Section 19 of the act, amended March 5, 1992 (P.L.6, No.4), is amended to read:

Section 19. Appropriation.—The sum of [~~\$50,000,000~~] ~~\$100,000,000~~ or as much thereof as is able to be borrowed by temporary financing or by



bonds, is hereby appropriated to the Volunteer Companies Loan Fund for the purposes set forth in this act. The General Assembly may make appropriations from time to time to the Volunteer Companies Loan Fund or to the **[department] agency** to carry out the purposes of this act which appropriations shall be continuing appropriations and shall not lapse.

Section 11. This act shall take effect immediately.

APPROVED—The 5th day of February, A.D. 2004.

EDWARD G. RENDELL