

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 343 Session of 2011

INTRODUCED BY BAKER, CAUSER, VULAKOVICH, GILLEN, BOBACK, BOYD, CALTAGIRONE, DeLUCA, EVANKOVICH, J. EVANS, FLECK, GEIST, GOODMAN, GRELL, GROVE, HARRIS, HICKERNELL, HORNAMAN, KAUFFMAN, KILLION, KIRKLAND, KORTZ, KULA, MARSICO, METZGAR, MICOZZIE, MILLER, MILNE, MOUL, PAYNE, PICKETT, PYLE, READSHAW, REICHLEY, SCAVELLO, K. SMITH, SONNEY, J. TAYLOR AND WHITE, JANUARY 31, 2011

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, JANUARY 31, 2011

AN ACT

1 Amending the act of July 15, 1976 (P.L.1036, No.208), entitled,
2 as amended, "An act authorizing indebtedness, with the
3 approval of the electors, for loans to volunteer fire
4 companies, volunteer ambulance services and volunteer rescue
5 squads for the purpose of establishing or modernizing
6 facilities to house fire fighting apparatus equipment,
7 ambulances, and rescue vehicles, and for purchasing new fire
8 fighting apparatus equipment, ambulances, and rescue
9 vehicles, protective and communications equipment, and any
10 other accessory equipment necessary for the proper
11 performance of such organizations' duties," further providing
12 for assistance to volunteer fire companies, ambulance service
13 and rescue squads.

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

16 Section 1. Section 4 of the act of July 15, 1976 (P.L.1036,
17 No.208), known as the Volunteer Fire Company, Ambulance Service
18 and Rescue Squad Assistance Act, amended June 13, 1980 (P.L.217,
19 No.65), May 11, 1982 (P.L.407, No.118), July 11, 1990 (P.L.415,
20 No. 100), October 31, 1995 (P.L.340, No.55), June 25, 1999

(P.L.231, No.32) and February 5, 2004 (P.L.50, No.5), is amended to read:

Section 4. Assistance to Volunteer Fire Companies, Ambulance Service and Rescue Squads.--(a) The 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:

(1) Establishing or modernizing facilities that house fire fighting equipment, ambulance or rescue vehicles. The amount of a loan for establishing or modernizing facilities made to any one volunteer fire company, ambulance service or rescue squad shall not exceed 50% of the total cost of the facilities or modernization or [\$200,000] \$275,000, 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 facilities in unobligated funds. Proceeds of the loan shall be used only for purposes of structure or land acquisition or renovation or construction, and shall not be used for payment of fees for design, planning, preparation of applications, or any other cost not directly attributable to structure or land acquisition or renovation or construction.

(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 [\$100,000] \$175,000 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] \$225,000. The amount of a loan made to any

1 one volunteer fire company, ambulance service or rescue squad
2 for any ambulance or light duty rescue vehicle as defined by
3 regulation shall not exceed [\$50,000] \$100,000 and for a
4 watercraft rescue vehicle shall not exceed [\$15,000] \$30,000 or
5 50% of the cost of the ambulance or rescue vehicle, whichever is
6 less, and a notarized financial statement filed under subsection
7 (c) shall show that the applicant has available 20% of the total
8 cost of the vehicle in unobligated funds.

9 (3) Purchasing protective, accessory or communication
10 equipment. No volunteer fire company, ambulance service or
11 rescue squad shall receive a loan for protective, accessory or
12 communicative equipment more than once in any five-year period.
13 Each volunteer fire company, ambulance service or rescue squad
14 may apply for a loan for a mobile and portable radio unit for
15 each existing serviceable apparatus equipment, ambulance, or
16 rescue vehicle. Radio equipment obtained through loans under
17 this act shall be equipped with a frequency or frequencies
18 licensed by the Federal Communications Commission for fire
19 fighting or emergency response purpose. A notarized financial
20 statement shall be filed and loans under this act for the
21 purchase of protective, accessory or communicative equipment
22 shall not exceed [\$10,000] \$20,000.

23 (4) Refinancing debt incurred or contracts entered into
24 after November 4, 1975 and used for the purchase of apparatus
25 equipment or for the construction or modernization of facilities
26 or for modification of apparatus equipment in order to comply
27 with National Fire Protection Association standards.

28 (5) Repair or rehabilitation of apparatus equipment. Where
29 it has been determined that existing apparatus equipment no
30 longer meets the standards of the National Fire Protection

1 Association (NFPA), and the repair and/or rehabilitation of such
2 equipment will bring it in compliance with NFPA standards; loans
3 for the repair or rehabilitation for a single apparatus
4 equipment shall not be for less than \$1,000 or more than
5 [\$35,000] \$50,000 or 80% of the total cost of repair or
6 rehabilitation whichever is less.

7 (6) Purchasing of used fire fighting apparatus, equipment,
8 used ambulances, used rescue vehicles, used communications
9 equipment, used accessory equipment or used protective
10 equipment: Provided, however, That the used vehicles and
11 equipment shall meet the National Fire Protection Association
12 (NFPA) standards: And provided further, that loans for the
13 purchase of a used single apparatus equipment shall not exceed
14 [\$60,000] \$75,000 or 80% of the total cost of the equipment,
15 whichever is less.

16 Loans under this act may be made for any of the purposes of
17 this subsection undertaken by a volunteer fire company,
18 volunteer ambulance service and volunteer rescue squad on or
19 after November 4, 1975.

20 (7) Purchasing Pennsylvania Fire Information Reporting
21 System (PennFIRS) hardware and software. A volunteer fire
22 company shall be eligible to apply one time only for a loan of
23 not more than \$2,000 or 75% of the cost of such acquisition,
24 whichever is less, and with a term not exceeding five years for
25 the purpose of acquiring the hardware and software necessary to
26 participate in the Pennsylvania Fire Information Reporting
27 System. The Office of the State Fire Commissioner shall develop,
28 at its discretion, such procedures and forms as it may deem
29 necessary to facilitate loans for PennFIRS hardware and
30 software. Such loans shall be secured as required by law.

1 (b) Loans made by the agency in the amount of \$15,000 or
2 less shall be for a period of not more than five years. Loans in
3 excess of \$15,000 but for \$50,000 or less shall be for a period
4 of not more than ten years. The payback period of any loan in
5 excess of \$50,000, except a loan for establishing or modernizing
6 facilities, shall not exceed 15 years. The payback period for
7 any loan in excess of \$100,000 for establishing or modernizing
8 facilities shall not exceed 20 years. Loans shall be subject to
9 the payment of interest at 2% per annum and shall be subject to
10 such security as shall be determined by the agency. The total
11 amount of interest earned by the investment or reinvestment of
12 all or any part of the principal of any loan shall be returned
13 to the agency and transferred to the Volunteer Companies Loan
14 Fund, and shall not be credited as payment of principal or
15 interest on the loan. Except as provided in subsection (a) (5)
16 and (7), the minimum amount of any loan shall be \$5,000.

17 (c) Every application for a loan under this act shall be
18 accompanied by a notarized financial statement of the volunteer
19 fire company, ambulance service or rescue squad; and a financial
20 plan to show amount of assets and projected revenues for the
21 repayment of the loan, any other obligations of the volunteer
22 company, and operating expense over the period of the loan.
23 Every application shall be accompanied by evidence sufficient to
24 show that all costs except the amount of the loan have been
25 obtained by assets of the volunteer company and other loans or
26 sources of revenue. If a volunteer fire company, ambulance
27 service or rescue squad is unable to meet the 20% requirement of
28 subsection (a), then a political subdivision which is served by
29 the volunteer company may pledge its credit in the amount of
30 funds necessary to satisfy the 20% requirement and, if it does

1 so, shall cosign the application submitted by the volunteer
2 company.

3 (d) Loans under this act shall be used for the acquisition
4 by volunteer companies of new or used apparatus equipment, new
5 or used ambulances, new or used rescue vehicles, new or used
6 communications equipment, new or used accessory equipment or new
7 or used protective equipment, or for the acquisition and
8 renovation of existing structures to house fire fighting
9 equipment, ambulance or rescue vehicles or construction or
10 modernization of facilities and except as provided in subsection
11 (a) (4), shall not be used for operating expenses or for the
12 refinancing of renovated structures, refinancing of construction
13 or modernization of facilities, apparatus equipment,
14 communication equipment, accessory equipment, nor except as
15 provided in subsection (a) (4) shall under this act be made or
16 used to reduce any debt or other obligations issued prior to the
17 effective date of this act.

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

22 (f) All payments of interest on said loans and the principal
23 thereof shall be deposited by the agency in the Volunteer
24 Companies Loan Fund.

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

1 transferred to a political subdivision served by the volunteer
2 fire company, volunteer ambulance service or volunteer rescue
3 squad subject to such security as shall be determined by the
4 agency.

5 (h) Notwithstanding any other provision of this section to
6 the contrary, the maximum amount of any loan to a volunteer fire
7 company, volunteer ambulance service and volunteer rescue squad
8 for the purchase of fire fighting apparatus, ambulances or
9 rescue vehicles manufactured or assembled in this Commonwealth
10 may exceed the loan limits set forth in this section by
11 [\$10,000] \$20,000.

12 (i) A volunteer fire department, volunteer rescue service or
13 a volunteer ambulance service shall not be eligible for more
14 than three agency loans at one time. In the event that two or
15 more volunteer fire companies, volunteer rescue services or
16 volunteer ambulance services merge into one single entity, as
17 defined by the agency, this entity shall be eligible for no more
18 than ten agency loans at one time for a period of ten years from
19 the date in which they merged into one entity.

20 Section 2. This act shall take effect in 60 days.