
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1978 Session of
1975

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A. K. HUTCHINSON, MILLIRON AND BERLIN, NOVEMBER 25, 1975

REFERRED TO COMMITTEE ON APPROPRIATIONS, NOVEMBER 25, 1975

AN ACT

1 Providing for loans to volunteer fire companies, volunteer
2 ambulance services and volunteer rescue squads for the
3 purpose of establishing or modernizing of facilities and
4 purchasing apparatus and equipment, providing for the
5 administration of the act by the Department of Community
6 Affairs, empowering of the Governor, State Treasurer and
7 Auditor General to issue general obligation bonds for this
8 purpose, and making an appropriation.

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

11 Section 1. Short Title.--This act shall be known and may be
12 cited as the "Volunteer Fire Company, Ambulance Service, and
13 Rescue Squad Assistance Act."

14 Section 2. Definitions.--As used in this act:

15 "Apparatus equipment" means snorkels, pumpers, tankers,
16 ladder trucks, ambulances or rescue vehicles and other equipment
17 used for fire fighting or ambulance rescue work.

18 "Communications equipment" means any voice or original
19 transmission system required to support the operation of a
20 qualified volunteer agency.

1 "Department" means the Department of Community Affairs of the
2 Commonwealth of Pennsylvania.

3 "Facilities" means facilities used to house fire fighting
4 equipment, ambulances or rescue squad apparatus and shall not
5 include meeting halls, social rooms, or any other facilities not
6 directly related to fire fighting or ambulance or rescue work.

7 "Protective equipment" means any equipment used by fire
8 fighters to protect their person from injury while performing
9 their function, including but not limited to helmets, turnout
10 coats and pants, uniforms, boots, eyeshields, gloves and self-
11 contained respiratory protection units.

12 "Qualified volunteer agency" means a volunteer fire company,
13 volunteer ambulance service, or volunteer rescue squad.

14 "Volunteer ambulance service" means any nonprofit chartered
15 corporation, association, or organization located in this
16 Commonwealth which provides ambulatory services in the
17 Commonwealth.

18 "Volunteer fire company" means any nonprofit chartered
19 corporation, association, or organization located in this
20 Commonwealth which provides fire protection within this
21 Commonwealth.

22 "Volunteer rescue squad" means any nonprofit chartered
23 corporation, association or organization located in this
24 Commonwealth which provides rescue services in the Commonwealth.

25 "Volunteer Services Loan Fund" means the fund established
26 under section 10.

27 Section 3. Assistance to Qualified Volunteer Agencies.--(a)
28 The department is hereby authorized, upon application of any
29 qualified volunteer agency to make loans to said qualified
30 volunteer agency for the following purposes:

1 (1) Establishing or modernizing facilities that house
2 apparatus equipment, purchasing new apparatus equipment. The
3 amount of a loan made to any one qualified volunteer agency
4 shall not exceed 75% of the total cost. The total loan shall not
5 exceed \$150,000.

6 (2) Purchasing protective equipment as defined in this act.
7 No qualified volunteer agency shall receive a loan for
8 protective equipment more than once in any five-year period.

9 (3) Purchasing communications equipment subject to the
10 following limitations: Each qualified volunteer agency may apply
11 for only one mobile or portable radio unit per existing
12 serviceable apparatus equipment. Any radio equipment obtained
13 through loans under this act shall be equipped with a frequency
14 or frequencies licensed by the Federal Communications Commission
15 for fire fighting or emergency response purposes.

16 (b) Loans made by the department shall be for a period of
17 not more than ten years at an interest rate of 2% per annum and
18 shall be subject to such security as shall be determined by the
19 department.

20 (c) Loans made by the department shall be paid from the
21 Volunteer Services Loan Fund to the qualified volunteer agencies
22 in accordance with such rules and regulations promulgated by the
23 department.

24 (d) All payments of interest on said loans and the principal
25 thereof shall be deposited by the department in the Volunteer
26 Services Loan Fund.

27 (e) A qualified volunteer agency shall be eligible for a
28 loan under this act regardless of legal ownership in whole or
29 part by any political subdivision of any facilities or apparatus
30 equipment used by the qualified volunteer agency.

Section 4. Powers and Duties of the Department.--The powers and duties shall be:

(1) To appoint employees and agents 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 Services Loan Fund.

(3) To require all loans to be secured in such a manner that the department would have adequate security in case of any default or foreclosure.

(4) To loan money over a term of years but in no case in excess of ten years.

(5) To require, whenever possible, mutual aid agreements between communities in the utilization of volunteer fire companies, volunteer ambulance services, and volunteer rescue squad.

(6) Upon approval of a loan, to requisition from the Volunteer Services Loan Fund such amounts as shall be allocated by the department for loans to qualified volunteer agencies. When and as the amounts so allocated by the department as loans to qualified volunteer agencies are repaid to the department pursuant to the terms of the agreements made and entered into with the department, the department shall pay such amounts into the Volunteer Services Loan Fund. The Volunteer Services 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.

(7) To enter into such contracts and agreements as are necessary to administer this act.

1 (8) To be a party litigant in any court having jurisdiction
2 in any action arising out of the administration of this act.

3 (9) To adopt regulations establishing administrative
4 procedures for processing and servicing loan applications and
5 loans pursuant to this act.

6 (10) To acquire or take title by foreclosure of any real or
7 personal property of a qualified volunteer agency which has
8 pledged same as security for a loan granted by the department
9 and which has defaulted. Any such real or personal property
10 acquired through foreclosure may be leased, sold, transferred,
11 or other conveyed to any responsible party after public bidding.

12 (11) To file a financial statement including receipts,
13 expenditure, status of outstanding loan, and a report on the
14 loan program established by this act with the Governor, Auditor
15 General, and the General Assembly within 90 days following the
16 end of any fiscal year.

17 (12) To establish by regulation qualifications for volunteer
18 fire companies, volunteer ambulance services, and volunteer
19 rescue squad to meet to be granted loans under this act.

20 (13) To establish by regulation priority criteria for the
21 making of loans in the event the loan application exceed the
22 loan moneys available to the department.

23 Section 5. Approval of Regulations.--The regulations
24 establishing qualifications and priority criteria authorized by
25 paragraphs (13) and (14) of section 4 shall be submitted to the
26 General Assembly for approval or disapproval and shall be
27 considered by the General Assembly under the procedures created
28 for consideration of Reorganization Plan provided in the act of
29 April 7, 1955 (P.L.23, No.8), known as the "Reorganization Act
30 of 1955."

1 Section 6. Authority to Borrow.--Pursuant to the provisions
2 of clause (3) of subsection (a) of section 7 of Article VIII of
3 the Pennsylvania Constitution and the referendum approved by the
4 electorate on November 4, 1975, the Governor, the Auditor
5 General and State Treasurer are hereby authorized and directed
6 to borrow, on the credit of the Commonwealth of Pennsylvania,
7 such sum or sums of money not exceeding in the aggregate the sum
8 of \$10,000,000, as may be found necessary to carry out the
9 purposes of this act.

10 Section 7. Bonds, Issue, Maturity, Interest, Etc.--(a) As
11 evidence of the indebtedness herein authorized, general
12 obligation bonds of the Commonwealth of Pennsylvania shall be
13 issued from time to time for such total amounts, in such form,
14 in such denominations, and subject to such terms and conditions
15 of issue, redemption and maturity, rate of interest, and time of
16 payment of interest, as the Governor, Auditor General and State
17 Treasurer shall direct, except that the latest stated maturity
18 date shall not exceed 30 years from the date of the bond first
19 issued for each such series.

20 (b) All bonds issued under the authority of this act shall
21 bear facsimile signatures of the Governor, Auditor General and
22 State Treasurer, and a facsimile of the great seal of the
23 Commonwealth of Pennsylvania, and shall be countersigned by two
24 duly authorized officers of the duly authorized loan and
25 transfer agents of the Commonwealth.

26 (c) All bonds issued in accordance with the provisions of
27 this act shall be direct obligations of the Commonwealth of
28 Pennsylvania, and the full faith and credit of the Commonwealth
29 are hereby pledged for the payment of the interest thereon as
30 the same shall become due and the payment of the principal

1 thereof at maturity. All bonds issued under the provisions of
2 this act shall be exempt from taxation for State and local
3 purposes. The principal of and interest on such bonds shall be
4 payable in lawful money of the United States of America.

5 (d) Such bonds may be issued as coupon bonds or registered
6 as to both principal and interest as the issuing officials may
7 determine. If interest coupons are attached, they shall contain
8 the facsimile signature of the State Treasurer.

9 (e) The issuing officials shall provide for the amortization
10 of the bonds in substantial and regular amounts over the term of
11 the debt: Provided, That the first retirement of principal shall
12 be stated to mature prior to the expiration of a period of time
13 equal to 1/10 of the time from the date of the first obligation
14 issue to evidence such debt to the date of the expiration of the
15 term of the debt. Retirements of principal shall be regular and
16 substantial if made in annual or semi-annual amounts whether by
17 stated serial maturities or by mandatory sinking fund
18 retirements computed in accordance with either a level annual
19 debt service plan, as nearly as may be, or upon the equal annual
20 maturities plan.

21 Section 8. Sale of Bonds.--(a) Whenever bonds are so issued,
22 they shall be offered for sale at not less than 98% of the
23 principal amount and accrued interest and shall be sold by the
24 Governor, the Auditor General and State Treasurer to the highest
25 and best bidder or bidders after due public advertisement, on
26 such terms and conditions and upon such open competitive bidding
27 as the Governor, Auditor General and State Treasurer shall
28 direct. The manner and character of such advertisement and the
29 time of advertising shall be prescribed by the issuing
30 officials.

1 (b) Any portion of any bond issue so offered and not sold or
2 subscribed for may be disposed of by private sale by the
3 Governor, the Auditor General, and the State Treasurer, in such
4 manner and at such prices, not less than 98% of the principal
5 amount and accrued interest, as the Governor shall direct. No
6 commission shall be allowed or paid for the sale of any bonds
7 issued under the authority of this act.

8 (c) When bonds are issued from time to time, the bonds of
9 each issue shall constitute a separate series to be designated
10 by the issuing officials or may be combined for sale as one
11 series with other general obligation bonds of the Commonwealth.

12 (d) Until permanent bonds can be prepared, the issuing
13 officials may in their discretion issue in lieu of such
14 permanent bonds, temporary bonds in such form and with such
15 privileges as to registration and exchange for permanent bonds
16 as may be determined by the issuing officials.

17 Section 9. Refunding Bonds.--The Governor, Auditor General
18 and the State Treasurer are hereby authorized to provide, by
19 resolution, for the issuance of refunding bonds for the purpose
20 of refunding any bonds issued under the provisions of this act
21 and then outstanding, either by voluntary exchange with the
22 holders of such outstanding bonds, or to provide funds to redeem
23 and retire such outstanding bonds with accrued interest and any
24 premium payable thereon, at maturity or at any call date. The
25 issuance of such refunding bonds, the maturities and other
26 details thereof, the rights of the holders thereof, and the
27 duties of the Governor, Auditor General and the State Treasurer
28 in respect to the same, shall be governed by the foregoing
29 provisions of this act, in so far as the same may be applicable.
30 Refunding bonds may be issued by the Governor, Auditor General

1 and the State Treasurer to refund bonds originally issued or to
2 refund bonds previously issued for refunding purposes.

3 Section 10. Disposition and Use of Proceeds.--(a) The
4 proceeds realized from the sale of bonds under the provisions of
5 this act shall be paid into a special fund in the State
6 Treasury, hereby created, to be known as the Volunteer Services
7 Loan Fund and are hereby specifically dedicated to the purposes
8 of the referendum of November 4, 1975 as implemented by this
9 act. The moneys shall be paid by the State Treasurer
10 periodically to those departments, agencies, or authorities
11 authorized to expend same at such times and in such amounts as
12 may be necessary to satisfy the funding needs of the department,
13 agency or authority.

14 (b) Pending their application to the purposes authorized,
15 moneys held or deposited by the State Treasurer may be invested
16 or reinvested as are other funds in the custody of the State
17 Treasurer in the manner provided by law. All earnings received
18 from the investment or deposit of such funds shall be paid into
19 the State Treasury to the credit of the Volunteer Services
20 Sinking Fund.

21 Section 11. Registration of Bonds.--The Auditor General
22 shall prepare the necessary registry book to be kept in the
23 office of the duly authorized loan and transfer agent of the
24 Commonwealth for the registration of any bonds, at the request
25 of owners thereof, according to the terms and conditions of
26 issue directed by the Governor, Auditor General and the State
27 Treasurer.

28 Section 12. Reporting Requirements.--The State Treasurer
29 shall determine and report to the Budget Secretary by November
30 of each year the amount of money necessary for the payment of

1 interest on outstanding obligations and the principal of such
2 obligations, if any, for the following fiscal year and the times
3 and amounts of such payments. It shall be the duty of the
4 Governor to include in every budget submitted to the General
5 Assembly, full information relating to the issuance of bonds
6 under the provisions of this act, and the status of the sinking
7 fund of the Commonwealth for the payment of the interest on said
8 bonds and the principal thereof at maturity.

9 Section 13. Volunteer Services Sinking Fund; Investments.--

10 (a) All bonds issued under the authority of this act shall be
11 redeemed at maturity and all interest due from time to time on
12 such bonds shall be paid from the Volunteer Services Sinking
13 Fund, which is hereby created. For the specific purpose of
14 redeeming said bonds at maturity and paying all interest thereon
15 in accordance with the information received from the Governor,
16 the General Assembly shall appropriate moneys to the Volunteer
17 Services Sinking Fund for the payment of interest on said bonds
18 and the principal thereof at maturity. All moneys paid into the
19 Volunteer Services Sinking Fund, and all of such moneys not
20 necessary to pay accruing interest shall be invested by the
21 Board of Finance and Revenue in such securities as are provided
22 by law for the investment of the sinking funds of the
23 Commonwealth.

24 (b) The Board of Finance and Revenue is authorized at any
25 time to use any of the moneys in the Volunteer Services Loan
26 Fund not necessary for the purposes of the referendum of May 21,
27 1974 for the purchase and retirement of all or any part of the
28 bonds issued under the authority of this act. In the event that
29 all or any part of said bonds shall be purchased by the Board of
30 Finance and Revenue, they shall be cancelled and returned to the

1 loan and transfer agent as cancelled and paid bonds and
2 thereafter all payments of interest thereon shall cease, and the
3 cancelled bonds and coupons shall be destroyed within two years
4 after cancellation in the presence of the Governor, the Auditor
5 General and the State Treasurer, or their designees, and a
6 certificate evidencing the destruction, satisfactory to the duly
7 authorized loan and transfer agent of the Commonwealth shall be
8 furnished to it. All cancelled bonds and coupons shall be so
9 marked as to make the cancelled bonds and coupons nonnegotiable.

10 Section 14. Quorum.--Whenever in this act any action is to
11 be taken or decision made by the Governor, the Auditor General
12 and the State Treasurer, and the three officers shall not be
13 able unanimously to agree, the action or decision of the
14 Governor and either the Auditor General or State Treasurer shall
15 be binding and final.

16 Section 15. Expenses of Preparation, Issue and Sale of
17 Bonds.--There is hereby appropriated to the State Treasurer from
18 the proceeds of the bonds issued as much moneys as may be
19 necessary for all costs and expenses in connection with the
20 issue of and sale and registration of said bonds in connection
21 with this act.

22 Section 16. Loan Sinking Fund.--The General Assembly shall
23 appropriate such moneys as may be necessary to meet repayment
24 obligations for principal and interest into the Volunteer
25 Services Loan Sinking Fund.

26 Section 17. Appropriation.--There is hereby appropriated
27 \$250,000 from the General Fund to the department for the sole
28 purpose of payment of administrative costs arising from the
29 implementation of this act.

30 Section 18. Effective Date.--This act shall take effect

1 immediately.