
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 785 Session of
2019

INTRODUCED BY L. WILLIAMS, BLAKE, BOSCOLA, BROWNE, COLLETT,
COSTA, FARNESE, FONTANA, HUGHES, HUTCHINSON, IOVINO, LEACH,
SANTARSIERO, TARTAGLIONE AND J. WARD, JUNE 21, 2019

REFERRED TO VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS,
JUNE 21, 2019

AN ACT

1 Amending Title 35 (Health and Safety) of the Pennsylvania
2 Consolidated Statutes, in Commonwealth services, further
3 providing for scope of subchapter, for definitions, for
4 assistance to volunteer fire companies, ambulance service and
5 rescue squads, for Volunteer Companies Loan Fund, for powers
6 and duties of office, for disposition and use of proceeds,
7 for repayment obligations for principle and interest, for
8 temporary financing authorization, for referendum for
9 additional indebtedness, for authorization of contracts,
10 reimbursement procedure and amount and for reimbursement
11 procedure and amount.

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

14 Section 1. The heading of Subchapter E of Chapter 73 of
15 Title 35 of the Pennsylvania Consolidated Statutes is amended to
16 read:

17 SUBCHAPTER E

18 [VOLUNTEER FIRE COMPANY, AMBULANCE SERVICE
19 AND RESCUE SQUAD ASSISTANCE] FIRE AGENCY LOAN ASSISTANCE PROGRAM

20 Section 2. Section 7361 of Title 35 is amended to read:

21 § 7361. Scope of subchapter.

1 This subchapter relates to [volunteer] fire company,
2 volunteer ambulance service and volunteer rescue [squad] service
3 assistance.

4 Section 3. The definition of "volunteer companies loan fund"
5 in section 7363 of Title 35 is amended and the section is
6 amended by adding definitions to read:

7 § 7363. Definitions.

8 The following words and phrases when used in this subchapter
9 shall have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 * * *

12 "Fire company." A fire agency organized by a municipality
13 that employs firefighters on a full-time or part-time basis. The
14 term includes a volunteer fire company.

15 "Fund." The Fire Agency Loan Assistance Fund established
16 under section 7365 (relating to Fire Agency Loan Assistance
17 Fund).

18 "Municipality." A county, city, borough, incorporated town
19 or township.

20 * * *

21 ["Volunteer Companies Loan Fund." The fund established under
22 section 7365 (relating to Volunteer Companies Loan Fund).]

23 Section 4. Sections 7364, 7365, 7366, 7371, 7376, 7378(d),
24 7378.1, 7378.2 and 7378.3 of Title 35 are amended to read:

25 § 7364. Assistance to [volunteer] fire companies, volunteer
26 ambulance service and volunteer rescue [squads]
27 service.

28 (a) General rule.--The office is authorized, upon
29 application of any [volunteer] fire company, volunteer ambulance
30 service or volunteer rescue [squad] service, to make loans for

1 the following purposes:

2 (1) Establishing or modernizing facilities that house
3 firefighting equipment, ambulance or rescue vehicles. The
4 amount of a loan for establishing or modernizing facilities
5 made to any one [volunteer] fire company, volunteer ambulance
6 service or volunteer rescue [squad] service shall not exceed
7 50% of the total cost of the facilities or modernization or
8 \$400,000, whichever is less, and a notarized financial
9 statement filed under subsection (c) shall show that the
10 applicant has available 20% of the total cost of the
11 facilities in unobligated funds. Proceeds of the loan shall
12 be used only for purposes of structure or land acquisition or
13 renovation or construction and shall not be used for payment
14 of fees for design, planning, preparation of applications or
15 any other cost not directly attributable to structure or land
16 acquisition or renovation or construction.

17 (2) Purchasing firefighting apparatus, ambulances or
18 rescue vehicles. The amount of a loan made for purchasing
19 firefighting apparatus to any one [volunteer] fire company
20 shall not exceed \$200,000 for any single firefighting
21 apparatus equipment or utility or special service vehicle or
22 heavy duty rescue vehicle as defined by regulation or
23 guideline, or 50% of the total cost of the equipment or
24 vehicle, whichever is less, except for loans for aerial
25 apparatus as defined by regulation or guideline, which shall
26 not exceed \$300,000. The amount of a loan made to any one
27 [volunteer] fire company, volunteer ambulance service or
28 volunteer rescue [squad] service for any ambulance or light
29 duty rescue vehicle as defined by regulation or guideline
30 shall not exceed \$100,000 and for a watercraft rescue vehicle

1 shall not exceed \$30,000 or 50% of the cost of the ambulance
2 or rescue vehicle, whichever is less, and a notarized
3 financial statement filed under subsection (c) shall show
4 that the applicant has available 20% of the total cost of the
5 vehicle in unobligated funds.

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

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

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

1 Protection Association and the repair or rehabilitation of
2 such equipment will bring it in compliance with National Fire
3 Protection Association standards, loans for the repair or
4 rehabilitation for a single apparatus equipment shall be for
5 at least \$2,000 but shall not exceed the lesser of \$70,000 or
6 80% of the total cost of repair or rehabilitation.

7 (6) Purchasing of used firefighting apparatus,
8 equipment, used ambulances, used rescue vehicles, used
9 communications equipment, used accessory equipment or used
10 protective equipment, except that the used vehicles and
11 equipment shall meet the National Fire Protection Association
12 (NFPA) standards and loans for the purchase of a used single
13 apparatus equipment shall not exceed \$120,000 or 80% of the
14 total cost of the equipment, whichever is less.

15 (7) Purchasing Pennsylvania Fire Information Reporting
16 System (PennFIRS) hardware and software. A [volunteer] fire
17 company shall be eligible to apply one time only for a loan
18 of not more than \$4,000 or 75% of the cost of such
19 acquisition, whichever is less, and with a term not exceeding
20 five years for the purpose of acquiring the hardware and
21 software necessary to participate in the Pennsylvania Fire
22 Information Reporting System. The office shall develop, at
23 its discretion, such procedures and forms as it may deem
24 necessary to facilitate loans for PennFIRS hardware and
25 software. The loans shall be secured as required by law.

26 (a.1) Limitation.--Loans under this subchapter may be made
27 for any of the purposes of subsection (a) undertaken by a
28 [volunteer] fire company, volunteer ambulance service and
29 volunteer rescue [squad] service on or after November 4, 1975.

30 (b) Loans.--Loans made by the office in the amount of

1 \$30,000 or less shall be for a period of not more than ten
2 years. Loans in excess of \$30,000 but not in excess of \$100,000
3 shall be for a period of not more than 15 years. The payback
4 period of any loan in excess of \$100,000, except a loan for
5 establishing or modernizing facilities, shall not exceed 20
6 years. The payback period for any loan in excess of \$200,000 for
7 establishing or modernizing facilities shall not exceed 20
8 years. Loans shall be subject to the payment of interest at 2%
9 per year and shall be subject to such security as shall be
10 determined by the commissioner. The total amount of interest
11 earned by the investment or reinvestment of all or any part of
12 the principal of any loan shall be returned to the office and
13 transferred to the [Volunteer Companies Loan Fund] fund and
14 shall not be credited as payment of principal or interest on the
15 loan. Except as provided in subsection (a)(5) and (7), the
16 minimum amount of any loan shall be \$10,000.

17 (c) Applications.--Every application for a loan shall be
18 accompanied by a notarized financial statement of the
19 [volunteer] fire company, volunteer ambulance service or
20 volunteer rescue [squad] service and a financial plan to show
21 the amount of assets and projected revenues for the repayment of
22 the loan, any other obligations of the [volunteer] fire company,
23 volunteer ambulance service or volunteer rescue service and
24 operating expenses over the period of the loan. Every
25 application shall be accompanied by evidence sufficient to show
26 that all costs except the amount of the loan have been obtained
27 by assets of the [volunteer] fire company, volunteer ambulance
28 service or volunteer rescue service and other loans or sources
29 of revenue. If a [volunteer] fire company, volunteer ambulance
30 service or volunteer rescue [squad] service is unable to meet

1 the 20% requirement of subsection (a), then a political
2 subdivision which is served by the [volunteer] fire company,
3 volunteer ambulance service or volunteer rescue service may
4 pledge its credit in the amount of funds necessary to satisfy
5 the 20% requirement and, if it does so, shall cosign the
6 application submitted by the [volunteer] fire company, volunteer
7 ambulance service or volunteer rescue service.

8 (d) Use.--Loans shall be used for the acquisition by
9 [volunteer] fire companies, volunteer ambulance services or
10 volunteer rescue services of new or used apparatus equipment,
11 new or used ambulances, new or used rescue vehicles, new or used
12 communications equipment, new or used accessory equipment or new
13 or used protective equipment or for the acquisition and
14 renovation of existing structures to house firefighting
15 equipment, ambulance or rescue vehicles or for the construction
16 or modernization of facilities and, except as provided in
17 subsection (a) (4), shall not be used for operating expenses or
18 for the refinancing of renovated structures, refinancing of
19 construction or modernization of facilities, apparatus
20 equipment, communication equipment, accessory equipment, nor,
21 except as provided in subsection (a) (4), shall be made or used
22 to reduce any debt or other obligations issued prior to the
23 effective date of this subchapter.

24 (e) Payment.--Loans made by the office shall be paid from
25 the [Volunteer Companies Loan Fund] fund to the [volunteer] fire
26 companies, volunteer ambulance services and volunteer rescue
27 [squads] services in accordance with guidelines and procedures
28 developed by the office.

29 (f) Deposit.--All payments of interest on the loans and the
30 principal thereof shall be deposited by the office in the

1 [Volunteer Companies Loan Fund] fund.

2 (g) Eligibility.--A [volunteer] fire company, volunteer
3 ambulance service and volunteer rescue [squad] service shall be
4 eligible for a loan regardless of legal ownership in whole or in
5 part by any political subdivision of any facilities or apparatus
6 equipment used by the [volunteer] fire company, volunteer
7 ambulance service and volunteer rescue [squad] service. Any
8 equipment or facilities financed may be transferred to a
9 political subdivision served by the [volunteer] fire company,
10 volunteer ambulance service or volunteer rescue [squad] service
11 subject to such security as shall be determined by the
12 commissioner.

13 (h) Maximum amount.--Notwithstanding any other provision of
14 this section to the contrary, the maximum amount of any loan to
15 a [volunteer] fire company, volunteer ambulance service and
16 volunteer rescue [squad] service for the purchase of
17 firefighting apparatus, ambulances or rescue vehicles
18 manufactured or assembled in this Commonwealth, may exceed the
19 loan limits set forth in this section by \$20,000.

20 (i) Aggregation of loans.--

21 (1) Subject to paragraph (2), a fire company, volunteer
22 rescue service or volunteer ambulance service shall not be
23 eligible for more than three loans at one time.

24 (2) If more than one fire company, volunteer rescue
25 service or volunteer ambulance service merge or consolidate
26 into a single entity, as determined by the commissioner, the
27 entity shall be eligible for not more than ten loans at one
28 time for a period of ten years from the date of the merger or
29 consolidation.

30 § 7365. [Volunteer Companies Loan Fund] Fire Agency Loan

1 Assistance Fund.

2 (a) General rule.--There is created a special fund in the
3 Treasury Department to be known as the [Volunteer Companies
4 Loan] Fire Agency Loan Assistance Fund to which shall be
5 credited all appropriations made by the General Assembly other
6 than appropriations for expenses of administering this
7 subchapter or grants from other sources to the office as well as
8 repayment of principal and interest on loans made under this
9 subchapter.

10 (b) Requisition.--Upon approval of the loan, the
11 commissioner shall routinely requisition from the [Volunteer
12 Companies Loan Fund] fund such amounts as shall be allocated by
13 the office for loans to [volunteer] fire companies, volunteer
14 ambulance services or volunteer rescue services. When and as the
15 amounts so allocated as loans to [volunteer] fire companies,
16 volunteer ambulance services or volunteer rescue services are
17 repaid pursuant to the terms of the agreements made and entered
18 into with the office, the office shall pay such amounts into the
19 [Volunteer Companies Loan Fund] fund, it being the intent of
20 this subchapter that the [Volunteer Companies Loan Fund] fund
21 shall operate as a revolving fund whereby all appropriations and
22 payments made thereto may be applied and reapplied to the
23 purposes of this subchapter.

24 (c) Administration.--Each fiscal year, the State Fire
25 Commissioner may use an amount up to \$250,000 from the
26 [Volunteer Companies Loan Fund] fund for the administrative cost
27 of implementing the loan program under this subchapter.

28 § 7366. Powers and duties of office.

29 (a) Mandatory.--The office has the following duties:

30 (1) To appoint agents and employees necessary to the

1 administration of this subchapter and to prescribe their
2 duties and to fix their compensation within the limitations
3 provided by law.

4 (2) To accept grants from the Federal Government and any
5 other individual, agency or government for use in the
6 [Volunteer Companies Loan Fund] fund.

7 (3) To loan money over a term of years, but in no case
8 in excess of 20 years.

9 (3.1) To establish criteria to determine need for
10 firefighting apparatus, ambulances and rescue vehicles and to
11 establish guidelines and procedures for [volunteer] fire
12 companies, volunteer ambulance services or volunteer rescue
13 services to show just cause to determine that need.

14 (4) To promulgate regulations and develop guidelines and
15 procedures as it deems necessary to carry out its powers and
16 duties under this subchapter.

17 (b) Discretionary.--The office has the following powers:

18 (1) To require security for all loans.

19 (2) To specify priority of liens against any facilities,
20 apparatus equipment, ambulances, rescue vehicles or any
21 equipment purchased by [volunteer] fire companies, volunteer
22 ambulance services or volunteer rescue services using funds
23 loaned under this subchapter to pay all or any part of the
24 purchase price, as the office may require by established
25 guidelines and procedures. The commissioner may specify the
26 type of liens or collateral authorized as security under this
27 paragraph.

28 (3) To reject a loan application based on the criteria
29 established under subsection (a).

30 § 7371. Disposition and use of proceeds.

1 (a) General rule.--The proceeds realized from the sale of
2 bonds under this subchapter shall be paid into the [Volunteer
3 Companies Loan Fund] fund and are specifically dedicated to the
4 purposes of the referenda of November 4, 1975, November 3, 1981,
5 November 6, 1990, and November 5, 2002, as implemented by this
6 subchapter. The moneys shall be paid by the State Treasurer
7 periodically to those agencies or authorities authorized to
8 expend the moneys at such times and in such amounts as may be
9 necessary to satisfy the funding needs of the agency or
10 authority.

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

18 § 7376. Repayment obligations for principal and interest.

19 The General Assembly shall appropriate an amount equal to
20 moneys received from the office under section 7365 (relating to
21 [Volunteer Companies Loan] Fire Agency Loan Assistance Fund) and
22 such other moneys as may be necessary to meet repayment
23 obligations for principal and interest into the Volunteer
24 Company Loan Sinking Fund.

25 § 7378. Temporary financing authorization.

26 * * *

27 (d) Proceeds.--The proceeds of all such temporary borrowings
28 shall be paid into the [Volunteer Companies Loan Fund] fund.

29 § 7378.1. Referendum for additional indebtedness.

30 The following shall apply:

1 (1) The question of incurring indebtedness of
2 \$25,000,000 for loans to [volunteer] fire companies,
3 volunteer ambulance services and volunteer rescue [squads]
4 services for the purpose of establishing or modernizing
5 facilities to house firefighting apparatus equipment,
6 ambulances and rescue vehicles, and for purchasing
7 firefighting apparatus equipment, ambulances and rescue
8 vehicles, protective and communications equipment and any
9 other accessory equipment necessary for the proper
10 performance of such organizations' duties, shall be submitted
11 to the electors at the next primary, municipal or general
12 election held after July 15, 1976.

13 (2) The Secretary of the Commonwealth shall forthwith
14 certify the question to the county boards of election.

15 (3) The question shall be in substantially the following
16 form:

17 Do you favor the incurring of indebtedness of
18 \$25,000,000 for loans to [volunteer] fire companies,
19 volunteer ambulance services and volunteer rescue
20 [squads] services for the purpose of establishing or
21 modernizing facilities to house firefighting apparatus
22 equipment, ambulances and rescue vehicles, and for
23 purchasing firefighting apparatus equipment, ambulances
24 and rescue vehicles, protective and communications
25 equipment, and any other accessory equipment necessary
26 for the proper performance of such organizations' duties?

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

1 the question.

2 (5) Proceeds of borrowing shall be used through loans to
3 [volunteer] fire companies, volunteer ambulance services and
4 volunteer rescue [squads] services pursuant to and for any
5 purpose established by this subchapter.

6 § 7378.2. Authorization of contracts, reimbursement procedure
7 and amount.

8 The following shall apply:

9 (1) The Secretary of General Services is authorized to
10 enter into contracts with local [volunteer] fire companies,
11 volunteer ambulance services and volunteer rescue [companies]
12 services to provide services necessary to extinguish fires or
13 perform any other allied services on State-owned property.

14 (2) The Secretary of Transportation is authorized to
15 enter into contracts with local [volunteer] fire companies,
16 volunteer ambulance services and volunteer rescue [companies]
17 services to provide services necessary to extinguish fires or
18 perform any other allied services on limited access highways,
19 other than the Pennsylvania Turnpike.

20 § 7378.3. Reimbursement procedure and amount.

21 The following shall apply:

22 (1) A contract between the Secretary of General Services
23 or the Secretary of Transportation and a local [volunteer]
24 fire company, volunteer ambulance service and volunteer
25 rescue [company] service shall provide that the Department of
26 General Services or the Department of Transportation shall,
27 monthly, upon receipt of proper proof, reimburse each
28 contracted [volunteer] fire company, volunteer ambulance
29 service and volunteer rescue [company] service attending and
30 providing fire control or other allied services on State-

1 owned property or limited access highways, as the case may
2 be, a minimum amount of \$50 for each verified fire or
3 emergency call and the cost of any special extinguishing
4 agents utilized, which the [volunteer] fire company,
5 volunteer ambulance service and volunteer rescue [company]
6 service made in the preceding month as certified by the
7 person in charge at the particular State-owned property or by
8 an individual or individuals designated by the Secretary of
9 Transportation to verify services rendered on limited access
10 highways.

11 (2) A contract between the Department of General
12 Services or the Department of Transportation and a local
13 volunteer ambulance service or volunteer rescue [company]
14 service shall also provide that the volunteer ambulance
15 service or volunteer rescue [company] service request
16 reimbursement from collectible insurance proceeds available
17 as a result of the fire or emergency situation for which the
18 volunteer ambulance service or volunteer rescue [company]
19 service provided allied services. Proceeds payable to the
20 volunteer ambulance service or volunteer rescue [company]
21 service shall be deducted from the reimbursement for services
22 provided pursuant to a contract entered into under this
23 subchapter. Prior to payment for services rendered, the local
24 volunteer ambulance service or volunteer rescue [company]
25 service shall provide proof that they requested reimbursement
26 from collectible insurance proceeds.

27 (3) A false alarm on State-owned property to which a
28 [volunteer] fire company, volunteer ambulance service or
29 volunteer rescue [company] service responds shall constitute
30 a fire or emergency call and shall be reimbursed at a rate

1 set by the contract with the Secretary of General Services,
2 but shall not be less than \$25 for each occurrence.
3 Section 5. This act shall take effect in 60 days.