



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1706

PRINTERS NO. 2513

PRIME SPONSOR: Baker

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0

SUMMARY: House Bill 1706, Printer's Number 2513, amends Chapter 73 of Title 35 (Health & Safety) by increasing the loan amounts under the Volunteer Loan Assistance Program (VLAP) and adds provisions to enhance the program.

ANALYSIS: This bill amends Chapter 73 of Title 35 (Health & Safety) by increasing the loan amounts under the VLAP and adds provisions to enhance the program, as well as technical changes and definition changes.

For example, under the changes proposed in House Bill 1706, the new loan amounts and assistance to volunteer fire companies, ambulance service and rescue squads is as follows:

1. Establishing and modernizing facilities: increased from \$200,000 to \$400,000, or 50% of the total cost, whichever is less.
2. Purchasing apparatus, ambulances, etc.: increased from \$100,000 to \$200,000 or 50% of the total cost, whichever is less.
3. Aerial apparatus: increased from up to \$150,000 to up to \$300,000.
4. Ambulance or light duty rescue vehicle: increased from up to \$50,000 to up to \$100,000.
5. Watercraft rescue vehicle: increased from up to \$15,000 to up to \$30,000 or 50% of the cost of the ambulance or rescue vehicle, whichever is less.
6. Purchasing protective equipment, etc.: increased from up to \$10,000 to up to \$20,000.
7. Repair of apparatus equipment: increased from \$1,000 - \$35,000 to at least \$2,000, not more than \$70,000 or 80% of cost, whichever is less.
8. Purchasing used apparatus: increased from \$60,000 to \$120,000 or 80% of cost, whichever is less.
9. Purchasing Pennsylvania Fire Information Reporting System (PennFIRS) hardware and software one-time only: increased from up to \$2,000 to up to \$4,000 or 75% of cost, whichever is less.
10. Loan amounts may exceed limits by \$20,000 (increased from \$10,000) for the purchase of firefighting apparatus, ambulances or rescue vehicles manufactured/ assembled in Pennsylvania.

It should also be noted that the terms for each loan are modified, stating that loans made in the amount of \$30,000 or less shall be for a period of not more than 10 years. Loans in excess of \$30,000 but not in excess of \$100,000 shall be for a period of not more than 15 years. The payback period of any loan in excess of \$100,000, except a loan for establishing or modernizing facilities, shall not exceed 20 years. The payback period for any loan in excess of \$200,000 for establishing or modernizing facilities shall not exceed 20 years. Loans shall be subject to the payment of interest at 2% per year and shall be subject to such security as shall be determined by the commissioner. 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 office 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 \$10,000.

The legislation also authorizes the aggregation of loans for service companies and that they shall not be eligible for more than three loans at one time. However, if more than one service company merges or consolidates into a single entity, the entity shall be eligible for not more than ten loans at one time for a period of ten years from the date for merged volunteer companies as determined by the Office of the State Fire Commissioner.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT: Given that these changes only increase the loan amounts under the VLAP and add additional program language, enactment of this bill will have no fiscal impact on Commonwealth funds.

PREPARED BY: Jeffrey Clukey
House Appropriations Committee (R)

DATE: October 21, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.