



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1816

PRINTERS NO. 2473

PRIME SPONSOR: Culver

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund; Volunteer Companies Loan Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** House Bill 1816, Printer's Number 2473, increases loan amounts under the Volunteer Loan Assistance Program and adds language about future increases.

**ANALYSIS:** This bill amends Title 35 (Health and Safety) by increasing the loan amounts under the Volunteer Loan Assistance Program (VLAP) awarded to volunteer fire companies, ambulance squads, and rescue squads as follows:

- Establishing or modernizing facilities that house firefighting equipment, ambulance or rescue vehicles - shall not exceed 50% of the total cost or \$440,000;
- Purchasing firefighting apparatus, ambulances or rescue vehicles, any single firefighting apparatus equipment or utility or special service vehicle or heavy-duty rescue vehicle - shall not exceed 50% of the total cost or \$220,000;
- Aerial apparatus - shall not exceed \$330,000;
- Any ambulance or light duty rescue vehicle - shall not exceed \$110,000;
- A watercraft rescue vehicle - shall not exceed 50% of the total cost or \$33,000;
- Purchasing protective, accessory or communication equipment: shall not exceed \$22,000;
- Repair or rehabilitation of apparatus equipment: no less than \$2,200, and shall not exceed the lesser of 80% of the total cost or \$77,000;
- Purchasing of used firefighting apparatus, equipment, used ambulances, used rescue vehicles, used communications equipment, used accessory equipment or used protective equipment - shall not exceed 80% of the total cost or \$132,000; and
- Purchasing Pennsylvania Fire Information Reporting System (PennFIRS) hardware and software - shall not exceed 75% of the total cost or \$4,400.

Loans repayment schedule and interest rate payment of 2% shall remain the same, but loan amounts would be increased as follows:

- \$33,000 or less for a period of not more than 10 years;
- \$33,000 to \$110,000 shall be for a period of not more than 15 years;
- \$110,000 or more, except a loan for establishing or modernizing facilities, shall not exceed 20 years; and
- \$220,000 or more for establishing or modernizing facilities shall not exceed 20 years.

The minimum amount of any loan shall be \$11,000, except for the repair or rehabilitation of apparatus equipment and for the purchasing of PennFIRS hardware and software loan amounts listed above.

The bill also provides for an inflation adjustment stating that all loan limits under this program shall increase at the rate of inflation based on the Consumer Price Index (CPI) for All Urban Consumers in the Northeast Region as reported by the U.S. Department of Labor's Bureau of Labor Statistics. If the rate of inflation does not increase, all loan limits would remain the same for the year. The Office of the State Fire Commissioner would transmit notice of loan limit increases to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** This legislation increases loan amounts by ten percent from the current limits for each authorized use awarded to volunteer fire companies, ambulance squads, and rescue squads. Loans are funded through the Volunteer Companies Loan Fund, which had a balance of \$52.2 million at the end of 2018-19 fiscal year and is administered by the Office of State Fire Commissioner.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** October 23, 2019

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