

No. 1982-118

AN ACT

SB 1224

Amending the act of July 15, 1976 (P.L.1036, No.208), entitled "An act authorizing the indebtedness, with the approval of the electors, of ten million dollars for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties," providing for conforming amendments; changing the definition of "department"; increasing the amount of bonds which may be sold; increasing loan limits; and further regulating the amount of loans.

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

Section 1. The title, section 2 and the definition of "department" in section 3, act of July 15, 1976 (P.L.1036, No.208), known as the "Volunteer Fire Company, Ambulance Service and Rescue Squad Assistance Act," are amended to read:

AN ACT

Authorizing the indebtedness, with the approval of the electors, of [ten million dollars] *twenty-five million dollars* for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties.

Section 2. Legislative Findings; Declaration of Purpose.—(a) The General Assembly finds as a fact that pursuant to the provisions of section 7(a)(3) of Article VIII of the Pennsylvania Constitution the voters of the Commonwealth approved by [referendum] *referenda* on November 4, 1975, the incurring of indebtedness of \$10,000,000 and on November 3, 1981, *approved the incurring of an additional \$15,000,000 of indebtedness* for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties.

(b) It is the purpose of this act to implement section 5 of the act of September 25, 1975 (P.L.296, No.95), entitled "An act authorizing the indebtedness, with the approval of the electors, of ten million dollars for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties," and *section 5 of the act of June 30, 1981 (P.L.138, No.44), entitled "An act authorizing the indebtedness, with the approval of the electors, of \$15,000,000 for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house firefighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing firefighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations' duties,"* by providing for loans to volunteer fire, ambulance and rescue companies to protect the lives and property of the citizens of the Commonwealth pursuant to and to execute the above favorable [referendum] *referenda*. The General Assembly has determined that volunteer fire companies are most in need of loans, and therefore intends that, to the extent possible, a significant portion of the Volunteer Companies Loan Fund be used to provide loans to volunteer fire companies and that the balance be allocated to provide loans to volunteer ambulance and volunteer rescue companies. The General Assembly intends that loans provided under this act be used to replace outmoded or unsafe equipment and buildings of volunteer companies, and that loans be provided to volunteer companies which are experiencing a need for equipment or facilities to meet an increasing demand for a higher level of service in the communities which they serve.

Section 3. Definitions.—As used in this act:

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"Department" means the [Department of Community Affairs of the Commonwealth of Pennsylvania] *Pennsylvania Emergency Management Agency*.

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Section 2. Clauses (1), (2) and (3) of subsection (a) and subsection (b) of section 4 of the act, amended June 13, 1980 (P.L.217, No.65), are amended to read:

Section 4. Assistance to Volunteer Fire Companies, Ambulance Service and Rescue Squads.—(a) The department 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 ~~[\$40,000]~~ *\$50,000*, 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 land acquisition 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 land acquisition or construction.

(2) Purchasing fire fighting apparatus, ambulances or rescue vehicles. The amount of a loan made for purchasing fire fighting apparatus, ~~[ambulances, or rescue vehicles]~~ to any one volunteer fire company shall not exceed ~~[\$35,000]~~ *\$50,000* for any single fire fighting apparatus equipment or utility or special service vehicle, or 50% of the total cost of the equipment or vehicle, whichever is less. The amount of a loan made to any one volunteer fire company, ambulance service or rescue squad for any ambulance or rescue vehicle shall not exceed ~~[\$15,000]~~ *\$25,000* or 50% of the cost of the ambulance or rescue vehicle, 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 vehicle in unobligated funds.

(3) Purchasing protective, accessory or communication equipment. No volunteer fire company, ambulance service or rescue squad shall receive a loan for protective, accessory or communicative equipment more than once in any five-year period. Each volunteer fire company, ambulance service or rescue squad may apply for a loan for *a* mobile and portable radio unit for each existing serviceable apparatus equipment, ambulance, or rescue vehicle. Radio equipment obtained through loans under this act shall be equipped with a frequency or frequencies licensed by the Federal Communications Commission for fire fighting or emergency response purpose. A notarized financial statement shall be filed and loans under this act for the purchase of protective, accessory or communicative equipment shall not exceed ~~[\$5,000]~~ *\$10,000*.

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(b) Loans made by the department shall be for a period of not more than ten years, and any loan of the amount of ~~[\$5,000]~~ *\$10,000* or less shall be for a period of not more than five years. Loans shall be subject to the payment of interest at 2% per annum and shall be subject to such security as shall be determined by the department. 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 department 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 \$1,000.

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Section 3. Section 7, subsection (a) of section 11, subsection (b) of section 18 and section 19 of the act are amended to read:

Section 7. Authority to Borrow.—Pursuant to the provisions of section 7(a)(3) of Article VIII of the Pennsylvania Constitution and the **[referendum] referenda** approved by the electorate on November 4, 1975 and November 3, 1981, the Governor, Auditor General and State Treasurer are hereby authorized and directed to borrow, on the credit of the Commonwealth, money not exceeding in the aggregate the sum of **[\$10,000,000] \$25,000,000** to implement this act, **[and]** the act of September 25, 1975 (P.L.296, No.95), entitled “An act authorizing the indebtedness, with the approval of the electors, of ten million dollars for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing new fire fighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations’ duties,” and the act of June 30, 1981 (P.L.138, No.44), entitled “An act authorizing the indebtedness, with the approval of the electors, of \$15,000,000 for loans to volunteer fire companies, volunteer ambulance services and volunteer rescue squads for the purpose of establishing or modernizing facilities to house fire-fighting apparatus equipment, ambulances, and rescue vehicles, and for purchasing firefighting apparatus equipment, ambulances, and rescue vehicles, protective and communications equipment, and any other accessory equipment necessary for the proper performance of such organizations’ duties.”

Section 11. Disposition and Use of Proceeds.—(a) The proceeds realized from the sale of bonds under the provisions of this act shall be paid into the Volunteer Companies Loan Fund and are specifically dedicated to the purposes of the **[referendum] referenda** of November 4, 1975 and November 3, 1981 as implemented by this act. The moneys shall be paid by the State Treasurer periodically to those departments, agencies, or authorities authorized to expend same at such times and in such amounts as may be necessary to satisfy the funding needs of the department, agency or authority.

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Section 18. Temporary Financing Authorization.—* * *

(b) All temporary borrowings made under the authority of this section shall be evidenced by notes of the Commonwealth, which shall be issued from time to time for such amounts not exceeding in the aggregate the sum of **[\$10,000,000] \$25,000,000** in such form and in such denominations, and subject to such terms and conditions of issue, prepayment or redemption and maturity, rate of interest, and time of payment of interest, as the issuing officials shall direct. All notes issued under the authority of this section shall bear the facsimile signatures of the issuing officials and a facsimile of the Great Seal of the Commonwealth of

Pennsylvania, and shall be countersigned by two duly authorized officers of a duly authorized loan and transfer agent of the Commonwealth.

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Section 19. Appropriation.—The sum of [~~\$10,000,000~~] *\$25,000,000* or as much thereof as is able to be borrowed by temporary financing or by bonds, is hereby appropriated to the Volunteer Companies Loan Fund for the purposes set forth in this act. The General Assembly may make appropriations from time to time to the Volunteer Companies Loan Fund or to the department to carry out the purposes of this act which appropriations shall be continuing appropriations and shall not lapse.

Section 4. This act shall take effect immediately.

APPROVED—The 11th day of May, A. D. 1982.

DICK THORNBURGH