

No. 1980-65

AN ACT

SB 759

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," changing the minimum loan and extending assistance in the form of loans for purchase of certain used equipment and further providing for certain refinancing and for the guarantee of certain funds by political subdivisions.

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

Section 1. The definition of "Apparatus equipment" 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," is amended and the section is amended by adding a definition to read:

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

* * *

"Apparatus equipment" means elevated equipment, pumpers, tankers, ladder trucks, *utility or special service vehicles*, ambulances, rescue vehicles or other large equipment used for fire fighting and emergency.

* * *

"Utility or special service vehicle" means a vehicle carrying accessory equipment including but not limited to ladders, oxygen equipment, generators and adaptors, floodlights, smoke ejectors, and other equipment necessary to perform the ordinary functions of supporting fire fighting activities.

* * *

Section 2. Subsections (a), (b), (c), (d) and (g) of section 4 of the act, subsections (a) and (d) amended September 22, 1978 (P.L.767, No.145), 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, 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 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 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 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.

(4) Refinancing debt incurred or contracts entered into **[between after November 4, 1975 [and July 1, 1978 inclusive]** and used for the purchase of apparatus equipment or for the construction or modernization of facilities or for modification of apparatus equipment in order to comply with National Fire Protection Association standards.

(5) Repair or rehabilitation of apparatus equipment. Where it has been determined that existing apparatus equipment no longer meets the standards of the National Fire Protection Association (NFPA), and the repair and/or rehabilitation of such equipment will bring it in compliance with NFPA standards; loans for the repair or rehabilitation for a single apparatus equipment shall not be for less than **[\$5,000] \$1,000** or more than \$35,000 or 80% of the total cost of repair or rehabilitation whichever is less.

(6) Purchasing of used fire fighting apparatus, equipment, used ambulances, used rescue vehicles, used communications equipment, used accessory equipment or used protective equipment: Provided, however, That the used vehicles and equipment shall meet the National Fire Protection Association (NFPA) standards.

Loans under this act may be made for any of the purposes of this subsection undertaken by a volunteer fire company, volunteer ambulance service and volunteer rescue squad on or after November 4, 1975, the date of the approval of the referendum approving the borrowing of money for the purposes of this act.

(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 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 **[\$2,500] \$1,000.**

(c) Every application for a loan under this act shall be accompanied by a notarized financial statement of the volunteer fire company, ambulance service or rescue squad; and a financial plan to show amount of assets and projected revenues for the repayment of the loan, any other obligations of the volunteer company, and operating expense over the period of the loan. Every application shall be accompanied by evidence sufficient to show that all costs except the amount of the loan have been obtained by assets of the volunteer company and other loans or sources of revenue. ***If a volunteer fire company, ambulance service or rescue squad is unable to meet the 20% requirement of subsection (a), then a political subdivision which is served by the volunteer company may pledge its credit in the amount of funds necessary to satisfy the 20% requirement and, if it does so, shall cosign the application submitted by the volunteer company.***

(d) Loans under this act shall be used for the acquisition by volunteer companies of new *or used* apparatus equipment, new *or used* ambulances, new *or used* rescue vehicles, new *or used* communications equipment, new *or used* accessory equipment or new *or used* protective equipment, or for the construction or modernization of facilities and except as provided in subsection (a)(4), shall not be used for operating expenses or for the refinancing of construction or modernization of facilities, apparatus equipment, communication equipment, accessory equipment, nor except as provided in subsection (a)(4) shall under this act be made or used to reduce any debt or other obligations issued prior to the effective date of this act.

* * *

(g) A volunteer fire company, ambulance service and rescue squad shall be eligible for a loan under this act regardless of legal ownership in whole or part by any political subdivision of any facilities or apparatus equipment used by the volunteer fire company, volunteer ambulance and volunteer rescue squad. *Any equipment or facilities financed under this act may be transferred to a political subdivision served by the volunteer fire company, volunteer ambulance service or volunteer rescue squad subject to such security as shall be determined by the department.*

Section 3. This act shall take effect in 60 days.

APPROVED—The 13th day of June, A. D. 1980.

DICK THORNBURGH