

No. 1992-4

## AN ACT

HB 1018

Amending the act of July 15, 1976 (P.L.1036, No.208), entitled, as amended, "An act authorizing the indebtedness, with the approval of the electors, of fifty 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," further providing for assistance to volunteer fire companies, ambulance services and rescue squads; increasing the borrowing authority limit; eliminating a countersignature; conforming certain provisions; and making an appropriation.

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

Section 1. Section 2 of the act of July 15, 1976 (P.L.1036, No.208), known as the Volunteer Fire Company, Ambulance Service and Rescue Squad Assistance Act, amended May 11, 1982 (P.L.407, No.118), is amended to read:

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 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 *and on November 6, 1990, approved the incurring of an additional \$25,000,000 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," *and subsection (e) of section 18.1 of this act* 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 referenda. The General Assembly has determined that volunteer fire companies are most in need of loans, and therefor 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 2. Section 4(a)(1) of the act, amended May 11, 1982 (P.L.407, No.118), is 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 ~~[\$50,000]~~ \$200,000, 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.

\* \* \*

Section 3. Section 6(a) of the act is amended to read:

Section 6. Powers and Duties of the Department.—(a) The powers and duties of the department shall be:

(1) to appoint agents, employees, necessary to the administration of this act, and to prescribe their duties and to fix their compensation within the limitations provided by law;

(2) to accept grants from the Federal Government and any other individual, agency, or government for use in the Volunteer Companies Loan Fund;

(3) to loan money over a term of years, but in no case in excess of **[ten] 15** years; and

(4) to promulgate such rules and regulations as it deems necessary to carry out its powers and duties **[of] under** this act.

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Section 4. Sections 7, 11(a), 18(b) and 19 of the act, amended May 11, 1982 (P.L.407, No.118), 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 referenda approved by the electorate on November 4, 1975 **[and]**, November 3, 1981 *and November 6, 1990*, 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 **[\$25,000,000] \$50,000,000** to implement this act, 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 referenda of November 4, 1975 **[and]**, November 3, 1981 *and November 6, 1990* 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 **[\$25,000,000] \$50,000,000** 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] *one* duly authorized [officers] *officer* of a duly authorized loan and transfer agent of the Commonwealth.

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Section 19. Appropriation.—The sum of [~~\$25,000,000~~] *\$50,000,000* 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 5. The sum of \$100,000, or as much thereof as may be necessary, is hereby appropriated to the State Fire Commissioner to administer the provisions of this act. This sum shall be in addition to funds appropriated under section 225 of the act of August 4, 1991 (P.L.484, No.7A), known as the General Appropriation Act of 1991.

Section 6. This act shall take effect immediately.

APPROVED—The 5th day of March, A. D. 1992, except as to the following:

Section 5. The sum of \$100,000, or as much thereof as may be necessary, is hereby appropriated to the State Fire Commissioner to administer the provisions of this act. This sum shall be in addition to funds appropriated under section 225 of the act of August 4, 1991 (P.L.484, No.7A), known as the General Appropriation Act of 1991.

I withhold my approval from this item.

In view of the weak national economy's impact on State revenue collections, I cannot approve this additional General Fund appropriation. While I am aware that there is a backlog of loan applications, these additional funds will not speed up processing during this fiscal year due to the length of time involved in hiring and training staff.

To address the needs of the program I have proposed using a portion of the interest paid into the Fund as an alternative to General Fund monies. I am prepared to work with the Legislature to secure a source of funding for staff to operate this program.

ROBERT P. CASEY