

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1706 Session of 2013

INTRODUCED BY BAKER, DAVIS, D. COSTA, KAUFFMAN, PICKETT, TALLMAN, SWANGER, ROCK, WATSON, MILLARD, CLYMER, COX, MAJOR, HARHART, GOODMAN, CALTAGIRONE, M. K. KELLER, CAUSER, HESS, MURT, DEASY, R. MILLER, QUINN, DENLINGER, CARROLL, GINGRICH, FARRY, KORTZ, LAWRENCE, MICOZZIE, MILNE, BRADFORD, SCHLEGEL CULVER, STEVENSON, EVERETT, KULA AND GILLEN, SEPTEMBER 25, 2013

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, OCTOBER 16, 2013

AN ACT

1 Amending Title 35 (Health and Safety) of the Pennsylvania
2 Consolidated Statutes, in emergency services, changing
3 implementing authority from the Pennsylvania Emergency
4 Management Agency to the Office of the State Fire
5 Commissioner; further providing for assistance to volunteer
6 fire companies, ambulance service and rescue squads and for
7 powers and duties; and making editorial changes.

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

10 Section 1. The definition of "agency" in section 7363 of
11 Title 35 of the Pennsylvania Consolidated Statutes is amended
12 and the section is amended by adding definitions to read:

13 § 7363. Definitions.

14 The following words and phrases when used in this subchapter
15 shall have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 \* \* \*

1 ["Agency." The Pennsylvania Emergency Management Agency.]

2 \* \* \*

3 "Commissioner." The State Fire Commissioner.

4 \* \* \*

5 "Office." The Office of the State Fire Commissioner.

6 \* \* \*

7 Section 2. Section 7364(a) introductory paragraph, (1), (2),  
8 (3), (5), (6) and (7), (b), (e), (f), (g) and (h) of Title 35  
9 are amended and the section is amended by adding a subsection to  
10 read:

11 § 7364. Assistance to volunteer fire companies, ambulance  
12 service and rescue squads.

13 (a) General rule.--The [agency] office is authorized, upon  
14 application of any volunteer fire company, volunteer ambulance  
15 service or volunteer rescue squad, to make loans for the  
16 following purposes:

17 (1) Establishing or modernizing facilities that house  
18 firefighting equipment, ambulance or rescue vehicles. The  
19 amount of a loan for establishing or modernizing facilities  
20 made to any one volunteer fire company, ambulance service or  
21 rescue squad shall not exceed 50% of the total cost of the  
22 facilities or modernization or [\$200,000] \$400,000, whichever  
23 is less, and a notarized financial statement filed under  
24 subsection (c) shall show that the applicant has available  
25 20% of the total cost of the facilities in unobligated funds.  
26 Proceeds of the loan shall be used only for purposes of  
27 structure or land acquisition or renovation or construction  
28 and shall not be used for payment of fees for design,  
29 planning, preparation of applications or any other cost not  
30 directly attributable to structure or land acquisition or

1 renovation or construction.

2 (2) Purchasing firefighting apparatus, ambulances or  
3 rescue vehicles. The amount of a loan made for purchasing  
4 firefighting apparatus to any one volunteer fire company  
5 shall not exceed [\$100,000] ~~\$300,000~~ \$200,000 for any single <--  
6 firefighting apparatus equipment or utility or special  
7 service vehicle or heavy duty rescue vehicle as defined by  
8 regulation or guideline, or 50% of the total cost of the  
9 equipment or vehicle, whichever is less, except for loans for  
10 aerial apparatus as defined by regulation or guideline, which  
11 shall not exceed [\$150,000] \$300,000. The amount of a loan  
12 made to any one volunteer fire company, ambulance service or  
13 rescue squad for any ambulance or light duty rescue vehicle  
14 as defined by regulation or guideline shall not exceed  
15 [\$50,000] \$100,000 and for a watercraft rescue vehicle shall  
16 not exceed [\$15,000] \$30,000 or 50% of the cost of the  
17 ambulance or rescue vehicle, whichever is less, and a  
18 notarized financial statement filed under subsection (c)  
19 shall show that the applicant has available 20% of the total  
20 cost of the vehicle in unobligated funds.

21 (3) Purchasing protective, accessory or communication  
22 equipment. No volunteer fire company, ambulance service or  
23 rescue squad shall receive a loan for protective, accessory  
24 or communicative equipment more than once in any five-year  
25 period. Each volunteer fire company, ambulance service or  
26 rescue squad may apply for a loan for a mobile and portable  
27 radio unit for each existing serviceable apparatus equipment,  
28 ambulance or rescue vehicle. Radio equipment obtained through  
29 loans under this subchapter shall be equipped with a  
30 frequency or frequencies licensed by the Federal

1 Communications Commission for firefighting or emergency  
2 response purposes. A notarized financial statement shall be  
3 filed and loans under this subchapter for the purchase of  
4 protective, accessory or communicative equipment shall not  
5 exceed [~~\$10,000~~] \$20,000.

6 \* \* \*

7 (5) Repair or rehabilitation of apparatus equipment.  
8 Where it has been determined that existing apparatus  
9 equipment no longer meets the standards of the National Fire  
10 Protection Association and the repair or rehabilitation of  
11 such equipment will bring it in compliance with National Fire  
12 Protection Association standards, loans for the repair or  
13 rehabilitation for a single apparatus equipment shall be for  
14 at least [~~\$1,000~~] \$2,000 but shall not exceed the lesser of  
15 [~~\$35,000~~] \$70,000 or 80% of the total cost of repair or  
16 rehabilitation.

17 (6) Purchasing of used firefighting apparatus,  
18 equipment, used ambulances, used rescue vehicles, used  
19 communications equipment, used accessory equipment or used  
20 protective equipment, except that the used vehicles and  
21 equipment shall meet the National Fire Protection Association  
22 (NFPA) standards and loans for the purchase of a used single  
23 apparatus equipment shall not exceed [~~\$60,000~~] \$120,000 or  
24 80% of the total cost of the equipment, whichever is less.

25 (7) Purchasing Pennsylvania Fire Information Reporting  
26 System (PennFIRS) hardware and software. A volunteer fire  
27 company shall be eligible to apply one time only for a loan  
28 of not more than [~~\$2,000~~] \$4,000 or 75% of the cost of such  
29 acquisition, whichever is less, and with a term not exceeding  
30 five years for the purpose of acquiring the hardware and

1 software necessary to participate in the Pennsylvania Fire  
2 Information Reporting System. The [Office of the State Fire  
3 Commissioner] office shall develop, at its discretion, such  
4 procedures and forms as it may deem necessary to facilitate  
5 loans for PennFIRS hardware and software. The loans shall be  
6 secured as required by law.

7 \* \* \*

8 (b) Loans.--Loans made by the [agency] office in the amount  
9 of [ \$15,000 ] \$30,000 or less shall be for a period of not more  
10 than [five] ten years. Loans in excess of [ \$15,000 ] \$30,000 but  
11 [for \$50,000 or less] not in excess of \$100,000 shall be for a  
12 period of not more than [ten] 15 years. The payback period of  
13 any loan in excess of [ \$50,000 ] \$100,000, except a loan for  
14 establishing or modernizing facilities, shall not exceed [15] 20  
15 years. The payback period for any loan in excess of [ \$100,000 ]  
16 \$200,000 for establishing or modernizing facilities shall not  
17 exceed 20 years. Loans shall be subject to the payment of  
18 interest at 2% per year and shall be subject to such security as  
19 shall be determined by the [agency] commissioner. The total  
20 amount of interest earned by the investment or reinvestment of  
21 all or any part of the principal of any loan shall be returned  
22 to the [agency] office and transferred to the Volunteer  
23 Companies Loan Fund and shall not be credited as payment of  
24 principal or interest on the loan. Except as provided in  
25 subsection (a) (5) and (7), the minimum amount of any loan shall  
26 be [ \$5,000 ] \$10,000.

27 \* \* \*

28 (e) Payment.--Loans made by the [agency] office shall be  
29 paid from the Volunteer Companies Loan Fund to the volunteer  
30 fire companies, ambulance services and rescue squads in

1 accordance with [rules and regulations promulgated] guidelines  
2 and procedures developed by the [agency] office.

3 (f) Deposit.--All payments of interest on the loans and the  
4 principal thereof shall be deposited by the [agency] office in  
5 the Volunteer Companies Loan Fund.

6 (g) Eligibility.--A volunteer fire company, ambulance  
7 service and rescue squad shall be eligible for a loan regardless  
8 of legal ownership in whole or in part by any political  
9 subdivision of any facilities or apparatus equipment used by the  
10 volunteer fire company, volunteer ambulance and volunteer rescue  
11 squad. Any equipment or facilities financed may be transferred  
12 to a political subdivision served by the volunteer fire company,  
13 volunteer ambulance service or volunteer rescue squad subject to  
14 such security as shall be determined by the [agency]  
15 commissioner.

16 (h) Maximum amount.--Notwithstanding any other provision of  
17 this section to the contrary, the maximum amount of any loan to  
18 a volunteer fire company, volunteer ambulance service and  
19 volunteer rescue squad for the purchase of firefighting  
20 apparatus, ambulances or rescue vehicles manufactured or  
21 assembled in this Commonwealth, may exceed the loan limits set  
22 forth in this section by [~~\$10,000~~] \$20,000.

23 (i) Aggregation of loans.--

24 (1) Subject to paragraph (2), a fire company, volunteer  
25 rescue service or volunteer ambulance service shall not be  
26 eligible for more than three loans at one time.

27 (2) If more than one fire company, volunteer rescue  
28 service or volunteer ambulance services merge or consolidate  
29 into a single entity, as determined by the commissioner, the  
30 entity shall be eligible for not more than ten loans at one

1 time for a period of ten years from the date of the merger or  
2 consolidation.

3 Section 3. Section 7365(a) and (b) of Title 35 are amended  
4 to read:

5 § 7365. Volunteer Companies Loan Fund.

6 (a) General rule.--There is created a special fund in the  
7 Treasury Department to be known as the Volunteer Companies Loan  
8 Fund to which shall be credited all appropriations made by the  
9 General Assembly other than appropriations for expenses of  
10 administering this subchapter or grants from other sources to  
11 the [agency] office as well as repayment of principal and  
12 interest on loans made under this subchapter.

13 (b) Requisition.--Upon approval of the loan, the [agency]  
14 commissioner shall routinely requisition from the Volunteer  
15 Companies Loan Fund such amounts as shall be allocated by the  
16 [agency] office for loans to volunteer companies. When and as  
17 the amounts so allocated as loans to volunteer companies are  
18 repaid pursuant to the terms of the agreements made and entered  
19 into with the [agency] office, the [agency] office shall pay  
20 such amounts into the Volunteer Companies Loan Fund, it being  
21 the intent of this subchapter that the Volunteer Companies Loan  
22 Fund shall operate as a revolving fund whereby all  
23 appropriations and payments made thereto may be applied and  
24 reapplied to the purposes of this subchapter.

25 \* \* \*

26 Section 4. Section 7366 heading, (a) introductory paragraph  
27 and (4), (b) introductory paragraph and (2) of Title 35 are  
28 amended and subsections (a) and (b) are amended by adding  
29 paragraphs to read:

30 § 7366. Powers and duties of [agency] office.

1 (a) Mandatory.--The [powers and duties of the agency shall  
2 be] office has the following duties:

3 \* \* \*

4 (3.1) To establish criteria to determine need for  
5 firefighting apparatus, ambulances and rescue vehicles and to  
6 establish guidelines and procedures for volunteer companies  
7 to show just cause to determine that need.

8 (4) To promulgate [such rules and] regulations and  
9 develop guidelines and procedures as it deems necessary to  
10 carry out its powers and duties under this subchapter.

11 (b) Discretionary.--The [powers and duties of the agency may  
12 be] office has the following powers:

13 \* \* \*

14 (2) To specify priority of liens against any facilities,  
15 apparatus equipment, ambulances, rescue vehicles or any  
16 equipment purchased by volunteer companies using funds loaned  
17 under this subchapter to pay all or any part of the purchase  
18 price, as the [agency] office may require by [regulation.]  
19 established guidelines and procedures. The commissioner may  
20 specify the type of liens or collateral authorized as  
21 security under this paragraph.

22 (3) To reject a loan application based on the criteria  
23 established under subsection (a).

24 Section 5. Section 7376 of Title 35 is amended to read:

25 § 7376. Repayment obligations for principal and interest.

26 The General Assembly shall appropriate an amount equal to  
27 moneys received from the [agency] office under section 7365  
28 (relating to Volunteer Companies Loan Fund) and such other  
29 moneys as may be necessary to meet repayment obligations for  
30 principal and interest into the Volunteer Company Loan Sinking



1 Fund.

2 Section 6. The Legislative Reference Bureau shall replace  
3 references to the Pennsylvania Emergency Management Agency with  
4 references to the Office of the State Fire Commissioner in 4 Pa.  
5 Code Ch. 113 (relating to volunteer fire company, ambulance  
6 service and rescue squad assistance).

7 Section 7. This act shall take effect in 60 days.