

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE

House Bill 1423 (Delegate Conway, *et al.*)  
Health and Government Operations

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**Local Government - Fire, Rescue, and Ambulance Funds - Distribution of Money  
to Volunteer Companies**

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This bill requires that each county distribute a minimum amount of money that the county receives from the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to volunteer fire, rescue, and ambulance companies.

The bill takes effect July 1, 2012.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** While the bill has no direct fiscal impact on any jurisdiction, it may cause changes in local operations pursuant to distributions of Amoss Fund allocations. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** Under the bill, the amount of money distributed by each county must be equal to the total amount of money received from the fund distributed by each county to volunteer fire, rescue, and ambulance companies in fiscal 2012 or at least 51% of the allocation received by each county under the current distribution methodology, whichever is greater.

The Director of the Maryland Emergency Management Agency must report by December 31 of each year to the General Assembly on the amount of money distributed by each county to volunteer fire, rescue, and ambulance companies. These provisions do not apply to Baltimore City or distributions made to fire, rescue, and ambulance companies, departments, or stations located in qualified municipalities in accordance with specified current law restrictions.

**Current Law:** The Senator William H. Amoss Fire, Rescue, and Ambulance Fund provides grants to local jurisdictions for the purchase of fire and rescue equipment and capital building improvements. These grants are administered by the Maryland Emergency Management Agency (MEMA). Distributions are made according to each county's percentage of total property tax accounts relative to the statewide total. Each county is guaranteed a minimum 2% share of total funds, in addition to the amounts that are distributed to qualifying municipalities. Local jurisdictions must expend funds for fire protection from its own sources that are at least equal to the amount of State funds to be received. The fund receives \$10.0 million in special funds annually.

Each county is required to distribute Amoss funds on the basis of need to fire, rescue, and ambulance companies, departments, or stations in the county. Each county must determine need in accordance with procedures that the county uses to adopt its budget. In determining need, the county must consider all relevant factors, as specified, as well as the company's inability to raise money to pay for an item.

Money distributed and allocated to a county must be accounted for and audited in accordance with the procedures for accounting and auditing of other governmental revenues. Money not expended by the county by the end of a fiscal year must be placed in a special fund for expenditure in the next succeeding fiscal year. Distributed money that remains unencumbered or unexpended by the county after the second fiscal year must be repaid to MEMA for deposit in the general fund. Money distributed to be expended by a volunteer or municipal fire, rescue, or ambulance company must be maintained in a separate account and must be audited in the same manner as other money of the volunteer or municipal company is audited. Copies of the audit of the separate account must be submitted to the respective county government and to MEMA.

On or before December 31 of each year, each county is required to submit a report to MEMA for the preceding fiscal year that states:

- the amount of money distributed to each recipient and the purpose of the expenditure of this money;
- the amount and disposition of any unencumbered or unexpended money; and
- the amount of expenditures for fire protection by the county.

Each county must provide a copy of this report to the Department of Legislative Services. Each year MEMA must report to the Governor and the General Assembly on the information provided by the counties on the distribution of Amoss Fund money, including an assessment of the extent to which the purposes of the fund are being achieved.

**Background:** Amoss Fund distributions to local jurisdictions for fiscal 2011 through 2013 are shown in **Exhibit 1**.

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**Exhibit 1**  
**State Aid for Local Fire and Rescue Services**  
**Under the Senator Amoss Fund**

<b>County</b>	<b>Fiscal 2011</b>	<b>Fiscal 2012</b>	<b>Fiscal 2013</b>
Allegany	\$224,948	\$219,596	\$219,596
Anne Arundel	810,309	812,952	812,952
Baltimore City	931,030	928,437	928,437
Baltimore	1,165,923	1,164,671	1,164,671
Calvert	200,000	200,000	200,000
Caroline	206,537	208,629	208,629
Carroll	260,708	260,536	260,536
Cecil	205,714	205,729	205,729
Charles	243,465	244,353	244,353
Dorchester	208,322	206,712	206,712
Frederick	365,086	365,103	365,103
Garrett	200,000	200,000	200,000
Harford	379,143	382,384	382,384
Howard	396,741	399,636	399,636
Kent	203,707	203,418	203,418
Montgomery	1,306,447	1,307,365	1,307,365
Prince George's	1,143,775	1,141,134	1,141,134
Queen Anne's	200,000	200,000	200,000
St. Mary's	200,000	200,000	200,000
Somerset	207,817	208,907	208,907
Talbot	216,137	215,767	215,767
Washington	232,099	231,614	231,614
Wicomico	229,920	231,663	231,663
Worcester	262,172	261,394	261,394
<b>Total</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>

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**State Fiscal Effect:** According to MEMA, county governments already distribute more than 51% of Amoss Fund allocations to volunteer companies in their respective jurisdictions. Accordingly, the bill should have no direct fiscal impact on Amoss Fund allocations or distributions. However, MEMA indicates that the bill may be in conflict with the current law provision that requires the counties to distribute Amoss funds on the basis of need to fire, rescue, and ambulance companies, departments, or stations in the county. MEMA also notes that, under current law, distributions of Amoss funding may be withheld if statutory reporting requirements are not met by a county or a volunteer company.

**Local Fiscal Effect:** Since county governments already distribute more than 51% of Amoss Fund allocations to volunteer companies in their respective jurisdictions, the bill should not have any direct fiscal impact on local finances. However, county operations may be impacted to the extent that tracking of Amoss Fund allocations under the bill necessitate the creation of dedicated special accounts to receive and distribute annual allocations.

For example, Anne Arundel County reports that Amoss Fund allocations to the county (approximately \$813,000 for fiscal 2013) are deposited to the county's general fund. The total annual grants distributions from the county to volunteer companies is between \$1.6 million and \$1.9 million, which does not include fuel and maintenance. In fiscal 2011, those additional costs totaled about \$650,000. Anne Arundel County also reports that the county also provides other in-kind contributions to the volunteer companies, such as training and apparatus testing and maintenance.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 1087 (Senator Mathias, *et al.*) - Budget and Taxation.

**Information Source(s):** Allegany, Anne Arundel, Harford, Montgomery, and Talbot counties; Baltimore City; Maryland Association of Counties; Military Department; Department of Legislative Services

**Fiscal Note History:** First Reader - March 20, 2012  
ncs/hlb

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