

52:27D-361 to 52:27D-365

5/11/87

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:27D-361 to 52:27D-365 "Volunteer emergency service organizations loan fund"-- establish)

CHAPTER 8

Laws Of: 1987

Bill No: A12

Sponsor(s): Zimmer and others

Date Introduced: Pre-filed

Committee: **Assembly:** Law, Public Safety, Defense; and Corrections; Appropriations

Senate: Law, Public Safety and Defense; Revenue, Finance & Appropriations

Amended during passage: Yes Substituted for S708 (not attached since identical to A12). Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** May 15, 1986

Senate: October 30, 1986

Date of Approval: January 20, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes 5-1-86 & 5-12-86

Senate Yes 6-19-86 & 10-27-86

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

87
1. 20-81

[THIRD OFFICIAL COPY REPRINT]

ASSEMBLY, No. 12

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblymen ZIMMER, WEIDEL, PALAIA, SCHUBER, MARTIN, Assemblywoman COOPER, Assemblymen LOVEYS, HENDRICKSON, BENNETT, VILLANE, FELICE, PELLY and BOCCHINI

AN ACT establishing a loan fund for volunteer emergency service organizations and making an appropriation therefor and supplementing Title 52 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature finds and declares that:

2 a. Volunteer emergency service organizations, such as fire com-
3 panies, ambulance services and rescue squads, protect the lives
4 and property of the citizens of New Jersey.

5 b. Funds are necessary for the purpose of establishing or mod-
6 ernizing facilities and for purchasing ambulances and rescue ve-
7 hicles, protective and communications equipment, and other acces-
8 sory equipment and apparatus necessary for the proper perfor-
9 mance of the organization's duties.

10 c. A fund should be established to provide low-interest loans to
11 volunteer emergency service organizations for the purpose of
12 modernizing or replacing outmoded or unsafe emergency vehicles,
13 apparatus, equipment or facilities, or to establish facilities to meet
14 an increasing demand for a higher level of service in the communi-
15 ties in which they serve.

1 2. As used in this act:

2 a. "Department" means the Department of Community Affairs.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendment adopted May 5, 1986.

**—Assembly committee amendment adopted May 12, 1986.

***—Senate committee amendments adopted October 27, 1986.

3 b. "Emergency equipment" means fire fighting, ambulance and
4 rescue equipment used for fire fighting or emergency purposes,
5 including communications and protective equipment.

6 c. "Emergency facilities" means buildings used to house emer-
7 gency equipment and vehicles, including real property, but shall
8 not include meeting halls, social rooms or other facilities not di-
9 rectly related to fire fighting or emergency purposes.

10 d. "Emergency vehicles" means trucks, ambulances and other
11 rescue vehicles used for fire fighting and emergency purposes.

12 e. "Volunteer emergency service organization" means any non-
13 profit corporation, association or organization located in this State
14 which is regularly engaged in providing emergency medical care,
15 rescue services, the transport of patients, or fire protection ser-
16 vices, including part-paid fire departments and fire districts.

17 f. "Volunteer Emergency Service Organizations Loan Fund"
18 means the fund established under this act.

1 3. a. The department is authorized, upon application of any
2 volunteer emergency service organization, to make loans for the
3 following purposes:

3A (1) For establishing or modernizing emergency facilities. The
5 amount of a loan for this purpose shall not exceed 50% of the total
6 cost or \$50,000.00, whichever is less. The notarized financial state-
7 ment filed pursuant to subsection *****[c.]***** *****d.***** of this
8 section shall show that the applicant has available 20% of the total
9 cost of the emergency facilities in unobligated funds. Proceeds of
10 the loan shall be used only for purposes of land acquisition or con-
11 struction, and shall not be used for payment of fees for design,
12 planning, preparation of applications, or any other cost not
13 directly attributable to land acquisition or construction.

14 (2) For purchasing emergency vehicles. The amount of a loan
15 for this purpose shall not exceed \$50,000.00 for any individual item,
16 or 50% of the total cost, whichever is less. The notarized financial
17 statement filed pursuant to subsection *****[c.]***** *****d.***** of this
18 section shall show that the applicant has available 20% of the
19 total cost of the emergency vehicle in unobligated funds.

20 (3) For purchasing emergency equipment. The amount of a loan
21 for this purpose shall not exceed \$10,000.00. No volunteer emer-
22 gency service organization shall receive a loan under this para-
23 graph more than once in any five-year period.

24 (4) For refinancing of debt incurred or contracts entered into
25 and used for the purchase or modernization of emergency facilities,
26 emergency equipment or emergency vehicles. The amount of a loan

27 under this paragraph shall be limited to the monetary limitations
 28 as provided in paragraphs (1), (2) and (3) of this subsection.

29 (5) For repair or rehabilitation of existing emergency vehicles
 30 or equipment when it has been determined that the standards of the
 31 National Fire Protection Association **** (NFPA) **** are no longer
 32 met, and that the repair or rehabilitation, or both, will bring the
 33 vehicle or equipment into compliance with NFPA standards.
 34 Loans for the repair or rehabilitation of emergency vehicles or
 35 equipment shall be for not less than \$1,000.00 nor more than
 36 \$35,000.00; nor shall a loan exceed 80% of the total cost of repair
 36A or rehabilitation.

37 (6) Purchasing of used emergency equipment or used emergency
 38 vehicles, provided, however, that the used equipment or vehicles
 39 shall meet the National Fire Protection Association's standards.

40 (7) Except as provided in paragraph (4) of this subsection,
 41 loan proceeds shall not be used for operating expenses.

41A ****b. The criteria on which the department shall base its*
 41B *determinations on loan applications shall include, but not be*
 41C *limited to, the following: the relative financial need and resources*
 41D *of the applicants, the information included in the application*
 41E *described in subsection d. of this section, and whether the purpose*
 41F *of the loan is consistent with the recommendations included in the*
 41G *National Fire Protection Association's "Fire Protection Hand-*
 41H *book" regarding public fire protection, particularly the evalua-*
 41I *tion and planning of public fire protection, including demograph-*
 41J *ical and geographical factors.****

42 ****[b.]*** ***c.**** Any loan in excess of \$10,000.00 shall be for
 43 a period of not more than 10 years, and any loan in the amount of
 44 \$10,000.00 or less shall be for a period of not more than five
 45 years. Loans shall be subject to the payment of interest at 2% per
 46 annum and shall be subject to security as determined by the depart-
 47 ment. The total amount of interest earned by the investment or
 48 reinvestment of all or any part of the principal of any loan shall be
 49 returned to the department and transferred to the Volunteer
 50 Emergency Service Organizations Loan Fund, and shall not be
 51 credited as payment of principal or interest on the loan. The mini-
 52 mum amount of any loan shall be \$1,000.00.

53 ****[c.]*** ***d.**** Every application for a loan under this act
 54 shall be accompanied by a notarized financial statement of the
 55 volunteer service organization and a financial plan showing the
 56 amount of assets and projected revenues for the repayment of the
 57 loan and any other obligations and operating expenses over the

58 period of the loan. Every application shall show the total costs of
 59 the item to which the loan will be applied and how they are to be
 60 met by the emergency service organization. If a volunteer emer-
 61 gency service organization is unable to meet the 20% requirement
 62 of paragraphs (1) and (2) of subsection a., then a political sub-
 63 division which is served by the volunteer company may pledge its
 64 credit in the amount of funds necessary to satisfy the 20% re-
 65 quirement and, if it does so, shall cosign the application submitted
 66 by the volunteer emergency service organization.

67 *****[d.]***** ***e.*** A volunteer emergency service organization
 68 shall be eligible for a loan under this act regardless of legal owner-
 69 ship in whole or part by any political subdivision of any emergency
 70 facilities, equipment or vehicles used by the volunteer emergency
 71 service organization. Any emergency vehicles, equipment or
 72 facilities financed under this act may be transferred to a political
 73 subdivision served by the volunteer emergency service organiza-
 74 tion and shall be subject to security as shall be determined by the
 75 department.

1 4. a. There is created a special fund in the Treasury Department
 2 to be known as the "Volunteer Emergency Service Organizations
 3 Loan Fund" to which shall be credited all appropriations as well
 4 as repayment of principal and interest on loans made pursuant
 5 to this act.

6 b. Upon approval of a loan, the department shall routinely
 7 requisition from the Volunteer Emergency Service Organizations
 8 Loan Fund amounts as shall be allocated by the department for
 9 loans to volunteer emergency service organizations. When the
 10 amounts so allocated by the department as loans are repaid to the
 11 department pursuant to the terms of the agreements made and
 12 entered into with the department, the department shall pay the
 13 amounts into the Volunteer Emergency Service Organizations
 14 Loan Fund.

1 5. The ***[Director]*** *Commissioner* of the Department of Com-
 2 munity Affairs shall adopt rules and regulations pursuant to the
 3 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
 4 et seq.) ***to further specify the loan criteria in subsection b. of
 5 section 3 of this act and*** to implement the ***other*** pro-
 6 visions of this act.

1 6. There is appropriated from the General Fund to the Depart-
 2 ment of Community Affairs the amount of **[\$10,000,000.00]**
 3 **\$2,000,000.00** to be used to make loans to volunteer emergency
 4 service organizations under this act.

1 7. This act shall take effect immediately but remain inoperative
 2 for 60 days from its effective date.

AMBULANCE, FIRE, RESCUE SQUADS

Establishes the "Volunteer Emergency Service Organizations Loan Fund" and appropriates \$2 million to DCA.

69 or part by any political subdivision of any emergency facilities,
 70 equipment or vehicles used by the volunteer emergency service
 71 organization. Any emergency vehicles, equipment or facilities
 72 financed under this act may be transferred to a political subdivi-
 73 sion served by the volunteer emergency service organization and
 74 shall be subject to security as shall be determined by the depart-
 75 ment.

1 4. a. There is created a special fund in the Treasury Department
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 10 amounts so allocated by the department as loans are repaid to the
 11 department pursuant to the terms of the agreements made and
 12 entered into with the department, the department shall pay the
 13 amounts into the Volunteer Emergency Service Organizations
 14 Loan Fund.

1 5. The Director of the Department of Community Affairs shall
 2 adopt rules and regulations pursuant to the "Administrative Pro-
 3 cedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) to implement
 4 the provisions of this act.

1 6. There is appropriated from the General Fund to the Depart-
 2 ment of Community Affairs the amount of \$10,000,000.00 to be
 3 used to make loans to volunteer emergency service organizations
 4 under this act.

1 7. This act shall take effect immediately but remain inoperative
 2 for 60 days from its effective date.

STATEMENT

The purpose of this bill is to create a loan fund for volunteer emergency organizations, such as fire companies and rescue squads, to establish emergency facilities and purchase emergency apparatus, equipment and vehicles. The bill sets monetary limits depending on the purpose of the loan and sets certain time frames for repaying the loan, depending on the amount borrowed. Interest is set at 2%. This program is to be implemented by the Department of Community Affairs and is funded by a \$10,000,000.00 appropriation.

ASSEMBLY LAW, PUBLIC SAFETY, DEFENSE AND
CORRECTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 12

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 1, 1986

The Assembly Law, Public Safety, Defense and Corrections Committee favorably reports Assembly Bill No. 12 with amendments.

The purpose of this bill is to create a loan fund for volunteer emergency organizations, such as fire companies and rescue squads, for the establishment of emergency facilities and the purchase of emergency apparatus, equipment and vehicles. As amended, the bill sets monetary limits depending on the purpose of the loan and sets certain time frames for repaying the loan, depending on the amount borrowed. Interest is set at 2%. This program is to be implemented by the Department of Community Affairs and is funded by a \$10,000,000.00 appropriation.

The committee amended the bill to change an incorrect reference from the Director of the Department of Community Affairs to the Commissioner of the department.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 12

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 1986

The Assembly Appropriations Committee favorably reports this bill as amended.

Assembly Bill No. 12 Aca, as amended by this committee, creates a loan fund for volunteer emergency organizations, such as fire companies and rescue squads. This loan fund would allow these organizations to establish or modernize facilities and purchase emergency apparatus, equipment and vehicles. The amount of the loan for construction of facilities or purchase of a vehicle would not exceed 50 percent of the total cost or \$50,000.00, whichever is less. The bill sets smaller monetary limits for purchasing or rehabilitation of equipment. The loans would be subject to an annual interest rate of two percent and would be repaid over a certain time period, depending on the amount borrowed but not exceeding 10 years at the maximum.

FISCAL IMPACT:

There is appropriated from the General Fund \$2,000,000.00 to the Department of Community Affairs. The money shall be credited to a special account in the Treasury Department and be known as the "Voluntary Emergency Service Organizations Loan Fund." The Department of Community Affairs is to implement the loan program.

COMMITTEE AMENDMENTS:

The committee amended the bill to reduce the appropriation from \$10,000,000.00 to \$2,000,000.00.

SENATE LAW, PUBLIC SAFETY AND DEFENSE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 12

[SECOND OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JUNE 19, 1986

The Senate Law, Public Safety and Defense Committee favorably reports Assembly Bill No. 12 2nd OCR.

This bill creates a loan fund for the use of volunteer emergency services organizations such as fire companies, fire districts, and rescue squads in establishing emergency facilities and purchasing emergency apparatus, equipment and vehicles. It sets monetary limits depending on the purpose of the loans and sets time frames for repaying the loans, depending on the amount borrowed. Interest on the loans is set at 2%. This program is to be implemented by the Department of Community Affairs. The bill appropriates \$2 million to the loan fund.

This bill is identical to Senate Bill No. 1920 with Senate committee amendments adopted June 19, 1986.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 12

[SECOND OFFICIAL COPY REPRINT]

with Senate committee amendments)

STATE OF NEW JERSEY

DATED: OCTOBER 27, 1986

The Senate Revenue, Finance and Appropriations Committee reported this bill favorably, with amendments.

This bill, as amended, creates a loan fund for the use of volunteer emergency services organizations such as fire companies, fire districts, and rescue squads in establishing emergency facilities and purchasing emergency apparatus, equipment and vehicles. It sets monetary limits depending on the purpose of the loans and sets time frames for repaying the loans, depending on the amount borrowed. Interest on the loans is set at 2%. The criteria for awarding loans include: the relative financial need and resources of the applicants, the financial information included on the application, and consistency with the recommendations of the National Fire Protection Association regarding evaluation and planning of public fire protection, including demographic and geographic factors. This program is to be implemented by the Department of Community Affairs, and the appropriation for the loan fund is set at \$2 million.

COMMITTEE AMENDMENTS:

The committee adopted amendments to this bill which require that the criteria for awarding loans include: the relative financial need and resources of the applicants, the financial information included on the application, and consistency with the recommendations of the National Fire Protection Association regarding evaluation and planning of public fire protection, including demographic and geographic factors.

FISCAL IMPACT:

This bill makes an appropriation of \$2,000,000.00 from the General Fund to the Volunteer Emergency Service Organization Fund.