

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2439

BY DELEGATES MAYNARD, AZINGER, COOPER, JENNINGS,

LOVEJOY, MILLER, SPONAUGLE, AND SYPOLT

[Introduced January 15, 2019; Referred
to the Committee on Fire Departments and
Emergency Medical Services then Government
Organization.]

1 A BILL to amend and reenact §8-15-8b of the Code of West Virginia, 1931, as amended; to amend
 2 and reenact §12-4-14 of said code; to amend said code by adding thereto a new section,
 3 designated §12-4-14b; and to amend and reenact §29-3-5f of said code, all relating to fire
 4 service equipment and training funds for volunteer and part-volunteer fire companies and
 5 departments; authorizing fire departments to file bank statements and check images
 6 instead of sworn statements of expenditures; prohibiting the commingling of funds;
 7 requiring retention of payment records; defining certain terms; changing deadline dates;
 8 authorizing forfeiture and redistribution of funds of delinquent fire departments; prohibiting
 9 the conversion of funds through returns or refunds of goods or services; providing for
 10 deductions from quarterly distributions to offset improper expenditures by a fire company
 11 or department; clarifying the responsibility for proposing legislative rules; requiring written
 12 notifications of delinquencies and misapplication of funds; providing a procedure to contest
 13 findings of Legislative Auditor; removing certain criminal penalties; and updating outdated
 14 language.

Be it enacted by the Legislature of West Virginia:

CHAPTER 8. MUNICIPAL CORPORATIONS.

ARTICLE 15. FIRE FIGHTING; FIRE COMPANIES AND DEPARTMENTS; CIVIL SERVICE FOR PAID FIRE DEPARTMENTS.

**§8-15-8b. Authorized expenditures of revenues from the municipal pensions and
 protection fund and the fire protection fund; deductions for unauthorized
 expenditures; record retention.**

1 ~~(a) Revenues allocated to volunteer and part volunteer fire companies and departments~~
 2 ~~may be expended only for the items listed in subdivisions (1) through (15) of this section. Funds~~
 3 Money received from the state for volunteer and part volunteer fire companies and departments,
 4 pursuant to §33-3-14d, §33-3-33, and §33-12C-7 of this code, may not be commingled with funds

5 moneys received from any other source, except money received as a grant from the Fire Service
6 Equipment and Training Fund as provided in §29-3-5f of this code. ~~Expenditures may be made~~
7 Distributions from the Municipal Pensions and Protection Fund and the Fire Protection Fund
8 allocated to volunteer and part volunteer fire companies and departments may be expended only
9 for the following:

10 (1) Personal protective equipment, including protective head gear, bunker coats, pants,
11 boots, combination of bunker pants and boots, coats and gloves;

12 (2) Equipment for compliance with the national fire protection standard or automotive fire
13 apparatus, NFPA-1901;

14 (3) Compliance with insurance service office recommendations relating to fire
15 departments;

16 (4) Rescue equipment, communications equipment, and ambulance equipment: *Provided,*
17 That no moneys received from the municipal pensions and protection fund or the fire protection
18 fund may be used for equipment for personal vehicles owned or operated by volunteer fire
19 company or department members;

20 (5) Capital improvements reasonably required for effective and efficient fire protection
21 service and maintenance of the capital improvements;

22 (6) Retirement of debts;

23 (7) Payment of utility bills;

24 (8) Payment of the cost of immunizations, including any laboratory work incident to the
25 immunizations, for firefighters against hepatitis-b and other blood borne pathogens: *Provided,*
26 That the vaccine shall be purchased through the state immunization program or from the lowest
27 cost vendor available: *Provided, however,* That volunteer and part-volunteer fire companies and
28 departments shall seek to obtain no cost administration of the vaccinations through local boards
29 of health: *Provided further,* That in the event any volunteer or part-volunteer fire company or
30 department is unable to obtain no cost administration of the vaccinations through a local board of

31 health, the company or department shall seek to obtain the lowest cost available for the
32 administration of the vaccinations from a licensed health care provider;

33 (9) Any filing fee required to be paid to the Legislative Auditor's Office under §12-4-14 of
34 this code relating to sworn statements of annual expenditures submitted by volunteer or part-
35 volunteer fire companies or departments that receive state funds or grants;

36 (10) Property/casualty insurance premiums for protection and indemnification against loss
37 or damage or liability;

38 (11) Operating expenses reasonably required in the normal course of providing effective
39 and efficient fire protection service, which include, but are not limited to, gasoline, bank fees,
40 postage, and accounting costs;

41 (12) Dues paid to national, state and county associations;

42 (13) Workers' Compensation premiums;

43 (14) Life insurance premiums to provide a benefit not to exceed \$20,000 for firefighters;
44 and

45 (15) Educational and training supplies and fire prevention promotional materials, not to
46 exceed \$500 per year.

47 (b) If any volunteer fire company or part-volunteer fire department spends any amount of
48 money received from the Municipal Pensions and Protection Fund or the Fire Protection Fund for
49 an item, service, or purpose not authorized by this section, that amount when determined by an
50 official audit, review, or investigation shall be deducted from future distributions to the volunteer
51 fire company or part-volunteer fire department.

52 (c) If any volunteer fire company or part-volunteer fire department purchases goods or
53 services authorized by this section, but then returns the goods or cancels the services for a refund,
54 then any money refunded shall be deposited back into the same, dedicated bank account used
55 for the deposit of distributions from the Municipal Pensions and Protection Fund and the Fire
56 Protection Fund.

57 (d) A volunteer fire company or part-volunteer fire department shall retain, for five calendar
 58 years, all invoices, receipts, and payment records for the goods and services paid with money
 59 received from the state for volunteer and part-volunteer fire companies and departments,
 60 pursuant to §33-3-14d, §33-3-33, and §33-12C-7 of this code and money received as a grant from
 61 the Fire Service Equipment and Training Fund as provided in §29-3-5f of this code.

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 4. ACCOUNTS, REPORTS AND GENERAL PROVISIONS.

§12-4-14. Accountability of persons receiving state funds or grants; sworn statements by volunteer fire departments; criminal penalties.

1 (a) For the purposes of this section:

2 (1) "Grantor" means a state spending unit awarding a state grant.

3 (2) "Person" includes any corporation, partnership, association, individual or other legal
 4 entity. The term "person" does not include a state spending unit or a local government as defined
 5 in §6-9-1a of this code.

6 (3) "Report" means an engagement, such as an agreed-upon procedures engagement or
 7 other attestation engagement, performed and prepared by a certified public accountant to test
 8 whether state grants were spent as intended. The term "report" does not mean a full-scope audit
 9 or review of the person receiving state funds.

10 (4) "State grant" means funding provided by a state spending unit, regardless of the
 11 original source of the funds, to a person upon application for a specific purpose. The term "state
 12 grant" does not include: (A) Payments for goods and services purchased by a state spending unit;
 13 (B) compensation to state employees and public officials; (C) reimbursements to state employees
 14 and public officials for travel or incidental expenses; (D) grants of student aid; (E) government
 15 transfer payments; (F) direct benefits provided under state insurance and welfare programs; (G)
 16 funds reimbursed to a person for expenditures made for qualified purposes when receipts for the
 17 expenditures are required prior to receiving the funds: *Provided*, That notwithstanding the

18 provisions of this subdivision, funding provided pursuant to §5B-2-12 of this code is included
19 within the term “state grant”; (H) retirement benefits; and (I) federal pass-through funds that are
20 subject to the federal Single Audit Act Amendments of 1996, 31 U.S.C. § 7501, *et seq.* The term
21 “state grant” does not include formula distributions to volunteer and part-volunteer fire
22 departments and fire companies made pursuant to §33-3-14d, §33-3-33, and §33-12C-7 ~~of said~~
23 ~~chapter of this code and does not include money received from the Fire Service Equipment and~~
24 Training Fund as provided in §29-3-5f of this code.

25 (b) (1) Any person who receives one or more state grants in the amount of \$50,000 or
26 more in the aggregate in a state's fiscal year shall file with the each grantor a report of the
27 disbursement of the state grant funds. When the grantor causes an audit, by an independent
28 certified public accountant, to be conducted of the grant funds, the audit is performed using
29 generally accepted government auditing standards and a copy of the audit is available for public
30 inspection, no report is required to be filed under this section. An audit performed that complies
31 with Office of Management and Budget Circular A-133, ~~as published on June 27, 2003~~ and
32 submitted within the period provided in this section may be substituted for the report.

33 (2) Any person who receives a state grant in an amount less than \$50,000 or who is not
34 required to file a report because an audit has been conducted or substituted, as provided by
35 §12-4-14(b)(1) of this code, shall file with the grantor a sworn statement of expenditures made
36 under the grant.

37 (3) Reports and sworn statements of expenditures required by ~~subdivisions (1) and (2) of~~
38 this subsection shall be filed within two years of the end of the person's fiscal year in which the
39 disbursement of state grant funds by the grantor was made. The report shall be made by an
40 independent certified public accountant at the cost of the person receiving the state grant. State
41 grant funds may be used to pay for the report if the applicable grant provisions allow. The scope
42 of the report is limited to showing that the state grant funds were spent for the purposes intended
43 when the grant was made.

44 (c) (1) Any person failing to file a required report or sworn statement of expenditures within
45 the two-year period provided in §12-4-14(b)(3) of this code for state grant funds ~~disbursed after~~
46 ~~July 1, 2003~~ is barred from subsequently receiving state grants until the person has filed the report
47 or sworn statement of expenditures and is otherwise in compliance with the provisions of this
48 section.

49 (2) Any grantor of a state grant shall report any persons failing to file a required report or
50 sworn statement of expenditures within the required period provided in ~~subdivision (3), subsection~~
51 ~~(b) of this section for a state grant disbursed after July 1, 2003~~ to the Legislative Auditor for
52 purposes of debarment from receiving state grants.

53 (d) (1) The state agency administering the state grant shall notify the grantee of the
54 reporting requirements set forth in this section.

55 (2) All grantors awarding state grants shall, prior to awarding a state grant, take reasonable
56 actions to verify that the person is not barred from receiving state grants pursuant to this section.
57 The verification process shall, at a minimum, include:

58 (A) A requirement that the person seeking the state grant provide a sworn statement from
59 an authorized representative that the person has filed all reports and sworn statements of
60 expenditures for state grants received as required under this section; and

61 (B) Confirmation from the Legislative Auditor by the grantor that the person has not been
62 identified as one who has failed to file a report or sworn statement of expenditures under this
63 section. Confirmation may be accomplished by accessing the computerized database provided in
64 §12-4-14(e) of this code.

65 (3) If any report or sworn statement of expenditures submitted pursuant to the
66 requirements of this section provides evidence of a reportable condition or violation, the grantor
67 shall provide a copy of the report or sworn statement of expenditures to the Legislative Auditor
68 within thirty days of receipt by the grantor.

69 (4) The grantor shall maintain copies of reports and sworn statements of expenditures

70 required by this section and make the reports or sworn statements of expenditures available for
71 public inspection, as well as for use in audits and performance reviews of the grantor.

72 (5) The Secretary of the Department of Administration has authority to promulgate
73 procedural and interpretive rules and propose legislative rules for promulgation in accordance
74 with the provisions of §29A-3-1 *et seq.* of this code to assist in implementing the provisions of
75 ~~subsections (a), (b), (c) and (d)~~ of this section.

76 (e)(1) Any state agency administering a state grant shall, in the manner designated by the
77 Legislative Auditor, notify the Legislative Auditor of the maximum amount of funds to be disbursed,
78 the identity of the person authorized to receive the funds, the person's fiscal year and federal
79 employer identification number and the purpose and nature of the state grant within thirty days of
80 making the state grant or authorizing the disbursement of the funds, whichever is later. ~~If the state~~
81 ~~grant was awarded prior to October 1, 2005, the grantor shall provide the information required by~~
82 ~~this section by December 1, 2005~~

83 (2) The State Treasurer shall provide the Legislative Auditor the information concerning
84 formula distributions to volunteer and part-volunteer fire departments, made pursuant to
85 §33-3-14d, §33-3-33, and §33-12C-7 ~~of said chapter~~ of this code, the Legislative Auditor requests
86 and in the manner designated by the Legislative Auditor.

87 (3) The Legislative Auditor shall maintain a list identifying persons who have failed to file
88 reports and sworn statements required by this section. The list may be in the form of a
89 computerized database that may be accessed by state agencies over the Internet.

90 (f) An audit of state grant funds may be authorized at any time by the Joint Committee on
91 Government and Finance to be conducted by the Legislative Auditor at no cost to the grantee.

92 ~~(g) (1) Volunteer and part-volunteer fire departments receiving formula distributions~~
93 ~~pursuant to sections fourteen-d and thirty-three, article three, chapter thirty-three of this code and~~
94 ~~section seven, article twelve-c of said chapter shall either:~~

95 ~~(A) File a report, as defined in subdivision (3), subsection (a) of this section with the~~

96 ~~Legislative Auditor within the same time frames as are required for sworn statements of annual~~
97 ~~expenditures to be filed under this section. The report shall be made by an independent certified~~
98 ~~public accountant at the cost of the volunteer or part-volunteer fire department. The scope of the~~
99 ~~report is limited to showing that the funds distributed were spent for authorized purposes; or~~

100 ~~(B) File a sworn statement of annual expenditures with the Legislative Auditor on or before~~
101 ~~February 14 of each year. The sworn statement of expenditures shall be signed by the chief or~~
102 ~~director of the volunteer fire department and shall be made under oath and acknowledged before~~
103 ~~a notary public.~~

104 ~~(2) If the sworn statement or report required by this subsection is not filed on or before~~
105 ~~May 15, unless the time period is extended by the Legislative Auditor, the Legislative Auditor may~~
106 ~~conduct an audit of the volunteer or part-volunteer fire department.~~

107 ~~(3) If the sworn statement of annual expenditures or report required by this subsection is~~
108 ~~not filed with the Legislative Auditor by July 1, unless the time period is extended by the Legislative~~
109 ~~Auditor, the Legislative Auditor shall notify the state Treasurer who shall withhold payment of any~~
110 ~~amount that would otherwise be distributed to the fire department under the provisions of sections~~
111 ~~fourteen-d and thirty-three, article three, chapter thirty-three of this code and section seven, article~~
112 ~~twelve-c of said chapter until the report is complete. Moneys withheld pursuant to this subdivision~~
113 ~~are to be deposited in the special revenue account created in the state Treasury in subdivision~~
114 ~~(4) of this subsection.~~

115 ~~(4) The Legislative Auditor may assign an employee or employees to perform audits or~~
116 ~~reviews at the direction of the Legislative Auditor of the disbursement of state grant funds to~~
117 ~~volunteer fire departments. The volunteer fire department shall cooperate with the Legislative~~
118 ~~Auditor, the Legislative Auditor's employees and the State Auditor in performing their duties under~~
119 ~~this section. If the Legislative Auditor determines a volunteer fire department is not cooperating,~~
120 ~~the Legislative Auditor shall notify the state Treasurer who shall withhold payment of any amount~~
121 ~~that would otherwise be distributed to the fire department under the provisions of sections~~

122 ~~fourteen-d and thirty-three, article three, chapter thirty-three of this code and section seven, article~~
123 ~~twelve-c of said chapter until the Legislative Auditor informs the Treasurer that the fire department~~
124 ~~has cooperated as required by this section. The State Treasurer shall pay the amount withheld~~
125 ~~into a special revenue account hereby created in the state Treasury and designated the~~
126 ~~“Volunteer Fire Department Audit Account”. If, after one year from payment of the amount withheld~~
127 ~~into the special revenue account, the Legislative Auditor informs the state Treasurer of continued~~
128 ~~noncooperation by the fire department, the state Treasurer shall pay the amount withheld to the~~
129 ~~fund from which it was distributed to be redistributed the following year pursuant to the applicable~~
130 ~~provisions of those sections.~~

131 ~~(5) Whenever the State Auditor performs an audit of a volunteer fire department for any~~
132 ~~purpose the Auditor shall also conduct an audit of other state funds received by the fire~~
133 ~~department pursuant to sections fourteen-d and thirty-three, article three, chapter thirty-three of~~
134 ~~this code and section seven, article twelve-c of said chapter. The Auditor shall send a copy of the~~
135 ~~audit to the Legislative Auditor. The Legislative Auditor may accept an audit performed by the~~
136 ~~Auditor in lieu of performing an audit under this section.~~

137 ~~(6) If the Legislative Auditor is notified by a grantor that a fire department has failed to file~~
138 ~~a report or a sworn statement of expenditures for a state grant it received, the Legislative Auditor~~
139 ~~shall notify the Treasurer who shall withhold further distributions to the fire department in the same~~
140 ~~manner provided in subdivision (3) of this subsection~~

141 ~~(h)~~ (g) Any report submitted pursuant to the provisions of this section may be filed
142 electronically in accordance with the provisions of §39A-1-1 *et seq.* of this code.

143 ~~(i)~~ (h) Any person who files a fraudulent sworn statement of expenditures under subsection
144 ~~(b) or (g) of this section~~ §12-4-14(b) of this code, a fraudulent sworn statement under subsection
145 ~~(d) of this section~~ §12-4-14(d) of this code, or a fraudulent report under this section is guilty of a
146 felony and, upon conviction thereof, shall be fined not less than \$1,000 nor more than \$5,000 or
147 imprisoned in a state correctional facility for not less than one year nor more than five years, or

148 both fined and imprisoned.

§12-4-14b. Accountability of volunteer and part-volunteer fire companies or departments receiving state funds for equipment and training; review or audit of expenditures; withholding of state funds for delinquency or misuse; notifications.

1 (a) Definitions. — For the purposes of this section:

2 “Equipment and training grant” means a grant of money to a volunteer fire company or a
3 part-volunteer fire department from the Fire Service Equipment and Training Fund created in
4 §29-3-5f of this code;

5 “Formula distribution” mean a distribution of money to volunteer and part-volunteer fire
6 companies or departments made pursuant to §33-3-14d, §33-3-33, and §33-12C-7 of this code;
7 and

8 “State funds account” means a bank account established by a volunteer fire company or
9 a part-volunteer fire department and maintained for the exclusive use and accounting of money
10 from formula distributions and equipment and training grants.

11 (b) Filing required documentation. — Every volunteer and part-volunteer fire company or
12 department seeking to receive formula distributions or an equipment and training grant shall file
13 copies of bank statements and check images from the company’s or department’s state funds
14 account for the previous calendar year with the Legislative Auditor on or before February 1 of
15 each year.

16 (c) Reviews and audits. —The Legislative Auditor is authorized to conduct regular reviews
17 or audits of deposits and expenditures from formula distribution, and equipment and training grant,
18 funds by volunteer and part-volunteer fire companies or departments. The Legislative Auditor may
19 assign an employee or employees to perform audits or reviews at his or her direction. The State
20 Treasurer shall provide the Legislative Auditor information, in the manner designated by the
21 Legislative Auditor, concerning formula distributions and equipment and training grants paid to
22 volunteer and part-volunteer fire departments. The volunteer fire company or part-volunteer fire

23 department shall cooperate with the Legislative Auditor, the Legislative Auditor's employees, and
24 the State Auditor in performing their duties under the laws of this state.

25 (d) State Auditor. — Whenever the State Auditor performs an audit of a volunteer fire
26 department for any purpose, the Auditor shall also conduct an audit of other state funds received
27 by the fire department pursuant to §33-3-14d, §33-3-33, and §33-12C-7 of this code. The Auditor
28 shall send a copy of the audit to the Legislative Auditor. The Legislative Auditor may accept an
29 audit performed by the Auditor in lieu of performing an audit under this section.

30 (e) Withholding of funds. —The Treasurer is authorized to withhold payment of a formula
31 distribution or an equipment and training grant from a volunteer or part-volunteer fire company or
32 department, when properly notified by the Legislative Auditor pursuant to this section, of any of
33 the following conditions:

34 (1) Failure to file, in a timely manner, copies of bank statements and check images with
35 the Legislative Auditor;

36 (2) Failure to cooperate with a review or audit conducted by the Legislative Auditor;

37 (3) Misapplication of state funds; or

38 (4) Failure to file a report or a sworn statement of expenditures as required by §12-4-14
39 of this code for a state grant other than an equipment and training grant.

40 (f) Delinquency in filing. — If, after February 1, a volunteer or part-volunteer fire company
41 or department has failed to file the required bank statements and check images with the
42 Legislative Auditor, the Legislative Auditor shall notify the delinquent company or department at
43 two separate times in writing of the delinquency and of possible forfeiture of its Fire Service
44 Equipment and Training Fund distribution for the year. If the required bank statements and check
45 images are not filed with the Legislative Auditor by March 31, unless the time period is extended
46 by the Legislative Auditor, the Legislative Auditor shall then notify the Treasurer who shall withhold
47 payment of any amount that would otherwise be distributed to the fire company or fire department.
48 Prior to each subsequent quarterly disbursement of funds by the Treasurer, the Legislative Auditor

49 shall notify each delinquent company or department twice per each quarter in which the company
50 or department is delinquent. The Legislative Auditor may choose the method or methods of
51 notification most likely to be received by the delinquent company or department.

52 (g) *Noncooperation.* — If, in the course of an audit or review by the Legislative Auditor, a
53 volunteer or part-volunteer fire company or department fails to provide documentation of its
54 accounts and expenditures in response to a request of the Legislative Auditor, the Legislative
55 Auditor shall notify the State Treasurer who shall withhold payment of any amount that would
56 otherwise be distributed to the fire department under the provisions of §33-3-14d, §33-3-33, and
57 §33-12C-7 of this code until the Legislative Auditor informs the State Treasurer that the fire
58 department has cooperated with the review or audit.

59 (h) *Reporting of other grants.* — Nothing in this section alters the duties and
60 responsibilities of a volunteer or part-volunteer fire company or department imposed under §12-
61 4-14 of this code if that company or department has received funds from any state grant program
62 other than from the Fire Service Equipment and Training Fund. If the Legislative Auditor is notified
63 by a grantor that a fire company or department has failed to file a report or a sworn statement of
64 expenditures for a state grant it received, the Legislative Auditor shall notify the State Treasurer
65 who shall withhold further distributions to the company or department in the manner provided in
66 this section.

67 (i) *Escrow and forfeiture of moneys withheld.* — The “Volunteer Fire Department Audit
68 Account” previously created in the Treasury is hereby continued. When the State Treasurer
69 receives notice to withhold the distribution of money to a volunteer or part-volunteer fire company
70 or department pursuant to this section, the Treasurer shall instead deposit the amounts withheld
71 into the Volunteer Fire Department Audit Account. If the Treasurer receives notice that the
72 volunteer or part-volunteer fire company or department has come into compliance in less than
73 one year from the date of deposit into this special revenue account, then the Treasurer shall
74 release and distribute the withheld amounts to the fire company or department, except that any

75 interest that has accrued thereon shall be credited to the general revenue of the state. If, after
76 one year from payment of the amount withheld into the special revenue account, the Legislative
77 Auditor informs the State Treasurer of continued noncooperation by the fire department, the
78 delinquent fire company or fire department forfeits the amounts withheld and the State Treasurer
79 shall pay the amounts withheld into Fire Service Equipment and Training Fund created in §29-3-5f
80 of this code.

81 (j) *Misuse of state money.* — If the Legislative Auditor determines that a volunteer or part-
82 volunteer fire department or company has used formula distribution money for purposes not
83 authorized by §8-15-8b of this code or has used equipment and training grant money for purposes
84 not authorized by the grant program, the Legislative Auditor shall give a written notice of
85 noncompliance to the department or company. If a volunteer or part-volunteer fire department or
86 company disagrees or disputes the finding, the fire department or company may contest the
87 finding by submitting a written objection to the Legislative Auditor within five working days of
88 receipt of the Legislative Auditor's finding. The fire department or company shall then have 60
89 days from the date of the Legislative Auditor's finding to provide documentation to substantiate
90 that the expenditures were made for authorized purposes. If the volunteer or part-volunteer fire
91 department or company does not dispute the findings of the Legislative Auditor or if the volunteer
92 or part-volunteer fire department or company is not able to substantiate an authorized purpose
93 for the expenditure, the Legislative Auditor shall notify the Treasurer of the amount of misapplied
94 money and the Treasurer shall deduct that amount from future distributions to that fire company
95 or department until the full amount of unauthorized expenditure is offset.

CHAPTER 29. MISCELLANEOUS BOARDS AND OFFICERS.

ARTICLE 3. FIRE PREVENTION AND CONTROL ACT.

§29-3-5f. Fire Service Equipment and Training Fund; creation of fire service equipment and training grant.

1 (a) There is hereby created in the Treasury a special revenue fund to be known as the
2 Fire Service Equipment and Training Fund. Expenditures from the fund by the State Fire Marshal
3 are authorized from collections. The fund may only be used for the purpose of providing grants to
4 equip volunteer and part-volunteer fire companies and departments and their members, and to
5 train volunteer and part-volunteer firefighters. Any balance remaining in the fund at the end of any
6 fiscal year does not revert to the General Revenue Fund, but remains in the Special Revenue
7 Fund. ~~The State Fire Marshal shall propose legislative rules for promulgation in accordance with~~
8 ~~§29A-3-1 et seq. of this code to implement the grant program established pursuant to this section~~

9 (b) The State Fire Marshal shall establish a grant program for equipment and training for
10 volunteer and part-volunteer fire companies and departments. Such grant program shall be open
11 to all volunteer and part-volunteer fire companies and departments. In making grants pursuant to
12 this section, the State Fire Marshal shall consider:

13 (1) The number of emergency and nonemergency calls responded to by the department;

14 (2) The activities and responses of the department;

15 (3) The revenues received by the department from federal, state, county, municipal, local,
16 and other sources; and

17 (4) The department's assets, expenditures, and other liabilities, including whether the fire
18 company or department has availed itself of available statewide contracts.

19 (c) ~~The State Fire Commission~~ Marshal shall propose legislative rules for promulgation in
20 accordance with §29A-3-1 *et seq.* of this code to implement the grant program established
21 pursuant to this section.

22 (d) The Legislative Auditor shall notify the State Fire Marshal of any volunteer or part-
23 volunteer fire company or department that is ineligible to receive grant funds due to the
24 department's failure to file required bank statements or financial reports or failure to comply with
25 an audit or review by the Legislative Auditor. A fire company or fire department reported by the
26 Legislative Auditor shall be ineligible to receive funds under this section until the Legislative

27 Auditor notifies the State Fire Marshal that the company or department has come into compliance.

NOTE: The purpose of this bill is to provide a simpler alternative for fire departments and fire companies to document their use of state funds for safety equipment and training, and to provide sanctions, including forfeiture of state money, for failure to provide required documentation or for spending state funds for improper uses. This bill also provides procedures for notification to the fire department or company that is subject to sanctions and to correct or contest determinations of improper expenditures.

This bill has been recommended for introduction and passage by the Joint Committee on Volunteer Fire Departments and Emergency Medical Services.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.