



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 142

PRINTERS NO. 920

PRIME SPONSOR: Hornaman

### COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$0

**SUMMARY:** House Bill 142, Printer's Number 920, amends Title 35 (Health and Safety) to provide incentives for municipal volunteers of fire companies and emergency medical services agencies. This legislation would take effect in 60 days.

**ANALYSIS:** This bill amends Title 35 (Health and Safety) to provide incentives for municipal volunteers of fire companies and emergency medical services agencies by authorizing municipalities to enact a tax credit against an active volunteer's earned income and property tax liability. Active volunteers include those for a volunteer fire company or emergency medical services agency who has complied with the requirements of the volunteer service credit program and who is verified through the local volunteer organization and its officials.

The State Fire Commissioner is required to establish the volunteer service credit program outlining the annual requirements necessary for the certification of a volunteer in active service at a volunteer fire company or an emergency medical services agency. The Commissioner must also adopt guidelines, form and applications to implement this program.

A municipality or school district that levies an earned income tax may establish by ordinance a tax credit for active service as a volunteer. The ordinance must set forth the amount of the tax credit and, if the total earned income tax liability is less than the amount established, the tax credit shall equal the remaining tax liability. At least 30 days prior to adopting the ordinance, the governing body must give the public notice of its intent to establish a tax credit and conduct at least one public hearing on the issue.

A school district and/or county may also establish a real property tax credit by ordinance or resolution to be granted to an active volunteer. The amount of the tax credit shall be equivalent to no more than 20% of the tax liability. The governing bodies that adopt such ordinances must also establish a process for rejecting a claim by an active volunteer as well as the right to appeal any such claim that has been rejected.

There are also penalties for false reporting of a service record under this chapter, which would be a misdemeanor of the first degree punishable by a fine of \$2,500.

**FISCAL IMPACT:** Enactment of this bill will have no adverse fiscal impact on Commonwealth funds. While the State Fire Commissioner will have some initial administrative and operational costs to establish and implement the volunteer service credit program, it is expected that such costs will be covered through existing operations.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** October 1, 2012

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*