

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 515 Volunteer Rescue Workers

SHORT TITLE: Volunteer Rescue Workers

SPONSOR(S): Senator John Kerr

FISCAL IMPACT

	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>

REVENUES

Highway Fund						(minimal loss - \$3750 or less – per year)
Highway Trust Fund						(minimal loss - \$1250 or less – per year)

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Insurance, Volunteer Rescue Units, Highway Fund, and the Highway Trust Fund.

EFFECTIVE DATE: October 1, 1999.

BILL SUMMARY: G.S. 58-87-5 established a special non-reverting Volunteer Rescue/EMS Fund. This fund provides grants to volunteer rescue units to purchase equipment and make capital improvements. In order to qualify for the grants the rescue unit must meet a number of eligibility criteria. One of those requirements is that the rescue or rescue/EMS unit has no more than two paid employees. This bill increases the limit on the number of employees to ten.

ASSUMPTIONS AND METHODOLOGY: In 1998 the Department of Insurance received 170 grant applications for the Volunteer Rescue/EMS fund. The total amount requested was \$1,262,637.39. At that time \$1,028,135.16 was available to fund those requests. The Department approved 148 applications and distributed \$1,025,033.99. The remaining balance of \$3,101.17 will be rolled over into the 1999 availability. Funding decisions are made on the basis of need. The Department uses 2% of the fund balance to cover administrative costs.

The bill does not change the amount of grant money available to rescue and rescue/EMS units. It simply increases the number of units that are eligible to compete for the funds. Therefore, the bill will not have a direct fiscal impact on the Volunteer Rescue/EMS fund.

The bill will have a small fiscal impact on motor fuel tax revenue. Under G.S. 105-449.106, volunteer rescue squads can apply for a quarterly refund of the taxes they pay on motor fuels. The Department of Revenue uses the definition of "volunteer rescue" in G.S. 58-87-5 to determine which organizations qualify for the motor fuel tax refund. The bill expands that definition. According to the North Carolina Association of Rescue and EMS, there are approximately 400 volunteer rescue and EMS units that meet the existing grant requirements. The Association believes the bill will increase the number of eligible organizations to 445. As a result, 45 additional units will be eligible for the motor fuels tax refund.

In FY 1997-98 the Department of Revenue refunded \$41,579.81 in motor fuels taxes to volunteer rescue units. The Department can not estimate the number and value of the additional refunds. However, they do not believe the additional refunds will amount to more than \$5000.

FISCAL RESEARCH DIVISION 733-4910

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