

INSTRUCTIONS FOR COMPLETING FORM 706-B

1. Form 706-B must be completed by the Municipal Treasurer and returned to the Department of the Auditor General as soon as funds are distributed to the volunteer firefighters' relief associations. **(Pursuant to Act 205, Section 706(b)(2) – within 60 days of the municipality's receipt of state aid) Failure to return Form 706-B timely may lead to the withholding of future state aid allocation.** Municipal disbursements of Foreign Fire Insurance Tax funds should be made to **Volunteer Firefighters' Relief Associations** only, not to fire companies. An electronic copy of the 2018 Form 706-B may be obtained at www.PaAuditor.gov, if additional copies of the blank Form are needed. Please retain a copy of your completed Form 706-B for your records.

TO COMPLETE THE FORM:

2. Provide the Name of City, Borough or Township and the County.
3. Provide the date the state aid check was received and the amount of the state aid received.
4. The Municipal Treasurer must provide their signature, printed name, date, and a contact telephone and/or cell phone number.
5. In Section A-D, provide the name of the volunteer firefighters' relief association that the municipality is providing a state aid allocation. (There are spaces provided for four different relief associations, as applicable.) If more are needed, add a new sheet.
6. In Section A-D, the following must be completed for each relief association:
 - a. County
 - b. Address of the volunteer firefighters' relief association
 - c. Name of the Treasurer of the relief association
 - d. Telephone number of the Treasurer
 - e. Home address of the Treasurer of the relief association
 - f. Amount of the Municipal Check (state aid) sent to the relief association
 - g. Date of the municipal check
 - h. Municipal check number
7. **Email or return the completed 706-B Form within 60 days of the municipality's receipt of state aid to:**

EMAIL TO: Fire@PaAuditor.gov

RETURN TO: DEPARTMENT OF THE AUDITOR GENERAL
BUREAU OF FIRE RELIEF AUDITS
327 FINANCE BUILDING
HARRISBURG, PA 17120-0018

PHONE: 717-787-1308

The preferred method of return of the 706-B Form is via e-mail through the Department of the Auditor General's Fire@PaAuditor.gov e-mail account. Be sure to include "706-B Form" in the header of your email. PLEASE DO NOT MAIL A PAPER COPY IF THE FORM 706-B IS RETURNED VIA E-MAIL.

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ALLOCATION OF FOREIGN FIRE INSURANCE TAXES

The Foreign Fire Insurance Tax Distribution Law was passed as part of Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act (commonly referred to as "Act 205," 53 P.S. 895.101 et. seq.). Specifically, Chapter 7 of Act 205 sets forth the provisions of the Foreign Fire Insurance Tax Distribution Law (53 P.S. 895.701-895.706). The source of the monies is a 2 percent tax on foreign fire insurance premiums. (The term "foreign fire insurance" means fire insurance written by an insurance company which is not incorporated in the Commonwealth of Pennsylvania.)

The Commonwealth allocation to volunteer firefighters' relief associations is determined by a formula based on the population and the market value of real estate for each municipality. A copy of Chapter 7 of Act 205 of 1984, which sets forth the distribution requirements, can be found at Appendix B. Three of the pertinent provisions of Act 205 are provided below.

1. The governing body of each municipality shall annually certify to the Department of the Auditor General the type of fire protection provided to that municipality (Section 7416 (a) of Act 118). Fire protection may be provided to the municipality entirely by volunteer firefighters (Section 7412 of Act 118) or entirely by paid firefighters, or the municipality may be served by both paid and volunteer firefighters. This certification shall be used to determine the ultimate distribution of the foreign fire insurance premium tax amount applicable to each municipality.
2. The governing body of the municipality has the responsibility of allocating the annual foreign fire insurance tax distribution which it receives to those relief associations which it has recognized. The municipality must certify to the Department of the Auditor General that it has disbursed its entire annual distribution of foreign fire insurance tax to the relief association(s). **The municipality has the discretion to allocate its annual distribution to the relief association which it recognizes as it deems appropriate.**
3. The municipality should distribute the allocation to the volunteer firefighters' relief association(s) within 60 days of the date of the receipt of the monies from the Commonwealth.

Act 118 of 2010 states in part:

§ 7411. Scope of subchapter

This subchapter relates to relief associations.

§ 7412. Definitions

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Fire service." The service of organized groups of individuals, not only in training for and in active duty in the protection of the public against fire, but also in the training for and the performance of such other activities as are commonly undertaken by fire companies and their affiliated organizations, including, but not limited to, fire prevention, first aid, rescue and salvage, ambulance service, fire police work, radio communications, assistance at accidents, control of crowds both on the fire grounds and at occasions of public or general assembly, animal rescue, abatement of conditions due to storm, flood or general peril, abatement or removal of hazards to safety and participation in public celebrations, parades, demonstrations and fundraising campaigns.

"Volunteer firefighter." A person who is a member of:

- (1) a fire company organized and existing under the laws of this Commonwealth;
- (2) a fire police unit, rescue squad, ambulance corps or other like organization affiliated with one or more fire companies; or
- (3) a fire company or affiliated organization which participates in the fire service but does not look to that service as his or her primary means of livelihood.

A person does not lose status as a volunteer firefighter solely because he or she may also be a paid firefighter, so long as the person is acting within the scope of his or her responsibilities as a member of a volunteer fire company at the pertinent time and not within the scope of his or her responsibilities as a paid firefighter.

"Volunteer firefighters' relief association." An organization formed primarily to afford financial protection to volunteer firefighters against the consequences of misfortune suffered as a result of their participation in the fire service. The organization may contain within its membership the members of one or more fire companies and may serve secondary purposes, as set forth in this subchapter, but only if adequate provisions have been first made to serve the primary purpose.