

IRS REQUIREMENTS FOR VOLUNTEER FIRE DEPARTMENTS

Volunteer Fire Departments qualify as issuers of tax-exempt obligations if they meet certain requirements set forth by the Internal Revenue Code. Proceeds from these obligations may only be used to purchase a **fire truck** or to build or renovate a **fire station**.

To become “qualified,” the Volunteer Fire Department must:

- Have a written agreement to provide fire fighting services with the city/town/county; and,
- Be the only provider of fire fighting services in their area **or** have been providing fire-fighting services to the area continuously since 1981.

A qualified Volunteer Fire Department must satisfy the following requirements:

1. Publish a notice in a local publication and have a meeting no sooner than fourteen (14) days after the notice appears in the paper. The purpose of this meeting is to allow anyone in the community who may oppose the purchase to have an opportunity to be heard. The Volunteer Fire Department will need to provide either the actual newspaper **or** an affidavit from the publishing company. This affidavit must include a copy of the article and the date of publication. A sample Notice of Public Hearing is attached.
2. Provide a resolution signed by both an official of the governing body for whom the Volunteer Fire Department provides fire-fighting services and the Volunteer Fire Department. This resolution is attached in the form of the Section 147(f) Approval and Written Agreement. Please note, by signing the Section 147(f) Approval and Written Agreement, the governing body is **not** financially obligated to this transaction.
3. Provide a copy of the Volunteer Fire Department's agreement with the city/county/town to provide fire fighting services (if available).
4. Provide a copy of the Volunteer Fire Department's Charter **or** Articles of Incorporation and any applicable name change amendments.

Notice of Public Hearing

To be typed on Volunteer Fire Department letterhead and published in the local newspaper at least 14 days prior to the meeting

ON THE PROPOSED FINANCING BY [Name of Department]

NOTICE IS HEREBY GIVEN that the [Name of Department] located in _____ [City, County and State of Lessee] (the Issuer), will meet on _____, at _____ o'clock _____ .m., at the _____, for the purpose of holding a public hearing pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, on a proposal that the Issuer enter into an agreement in order to finance certain equipment. The equipment to be financed consists of _____ and will be located at _____.

To finance the costs of such equipment and to pay costs and expenses incidental to the financing, the Issuer proposes to enter into a loan agreement in the maximum aggregate principal amount of [Amount of Loan]. The Issuer will be required to pay all taxes on the equipment. The rental payments due pursuant to the loan agreement will be secured by a security interest in the equipment.

All persons interested may appear and be heard at said time and place or may file written comments with the [Name of Department] prior to the date of hearing set forth heretofore.

Dated: _____

BY ORDER OF [NAME OF DEPARTMENT]

Signature

Typed Name and Title

PUBLICATION DATES:

At least once 14 days prior to the meeting date.

Attested By: _____

Section 147(f) Approval and Written Agreement

The undersigned Official of _____(hereinafter referred to as "Municipality") pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "code"), hereby approves the entering into by [Name of Department] of an Agreement in an aggregate principal amount not to exceed \$[Amount of Loan] to finance equipment consisting of [Equipment] which will be located at the fire house of the [Name of Department].

This approval is given following a public hearing held at _____(Time and Date of Public Meeting) at the company's fire station (or other location which was designated in the public notice) and is solely for the purpose of satisfying the requirements of Section 147(f) of the code. **This approval does not in any way constitute any financial involvement or obligation of the Municipality.**

Furthermore, this document acknowledges that for consideration, the receipt and sufficiency of which are hereby acknowledged, the [Name of Department] has provided fire fighting and other services for the Municipality for many years and [Name of Department] hereby agrees to meet the requirement to continue to provide fire fighting and other services for the Municipality.

Dated as of _____.

[Name of Department]

Municipality

Signature

Signature of Member of Municipality

Typed Name and Title

Typed Name and Title