LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1566
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: NOVEMBER 19, 2026

SUMMARY

Synopsis: Establishes "Volunteer Fire Company Assistance Program" in DCA to support operations and sustainability of volunteer fire companies; appropriates $10 million.

Type of Impact: Annual State expenditure increase; potential local government revenue and expenditure decreases.

Agencies Affected: Department of Community Affairs; municipalities.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2 & Thereafter
State Expenditure Increase	Up to $10 million	Indeterminate
Potential Local Revenue Decrease	Indeterminate	Indeterminate
Potential Local Expenditure Decrease	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in a State expenditure increase of up to $10 million in the first year the bill is in effect for the Department of Community Affairs to establish a new grant program to support the operations and sustainability of volunteer fire companies. If the full $10 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $10 million is exhausted.

- Future year costs are indeterminate and will depend on program demand and the number and amount of grants awarded annually to volunteer fire companies in the State.

- Current law permits municipalities to raise and appropriate funds annually to fire districts and volunteer fire companies, up to a limit, for the purchase of equipment, supplies, and materials. To the extent that State grants under the new program are used to supplant local funding, municipal revenues and expenditures would decrease by an indeterminate amount, all else being equal.

BILL DESCRIPTION

The bill establishes the Volunteer Fire Company Assistance Program in the Department of Community Affairs. It creates a special, non-lapsing fund from which grants will be awarded to support the ongoing operations and sustainability of volunteer fire companies, including the purchase of emergency equipment.

To participate in the grant program, a volunteer fire company will submit an application to the department containing certain information. The department is to annually establish a maximum grant award amount to ensure that the greatest number of volunteer fire companies receive a grant, subject to the availability of funding. A volunteer fire company that receives a grant is required to alert the municipality in which it is located and report the amount it was awarded and the proposed use of the funding. Within one year of receiving a grant, each participating volunteer fire company is required to submit a report detailing the use and impact of the funds. The bill requires the department to compile the reports for inclusion in a comparative profile of the participating volunteer fire companies and post the profile on the department's website.

The bill appropriates $10 million from the General Fund for the program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will result in a State expenditure increase of up to $10 million in the first year the bill is in effect for the Department of Community Affairs to establish a new grant program to support the operations and sustainability of volunteer fire companies. If the full $10 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $10 million is exhausted. Future year costs are indeterminate and will depend on program demand and the number and amount of grants awarded annually to volunteer fire companies in the State.

The OLS notes that current law permits municipalities to raise and appropriate funds annually to fire districts and volunteer fire companies, up to a limit, for the purchase of equipment, supplies, and materials. To the extent that State grants under the new program are used to supplant local funding, municipal revenues and expenditures would decrease by an indeterminate amount, all else being equal.

The department will experience an increase in workload owing to its administrative and reporting responsibilities under the new grant program. The OLS expects the department to utilize existing resources and current staff to fulfill these functions.

Section: *Local Government*

Analyst: *Abigail Stoyer*
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Approved: *Thomas Koenig*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).