



## PENNSYLVANIA STATE ASSOCIATION OF BOROUGHES

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# Public Hearing on *The Rising Costs of Fire Apparatus*

## Senate Veterans Affairs & Emergency Preparedness Committee

### Ron Grutza Senior Director of Government Affairs

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Good morning, Chairman Mastriano, Chair Muth, and members of the Senate Veterans Affairs & Emergency Preparedness Committee. My name is Ron Grutza, Senior Director of Government Affairs for the Pennsylvania State Association of Boroughs (PSAB). Today I am pleased to testify on behalf of the thousands of borough officials throughout the Commonwealth on the rising costs of fire apparatus and how municipalities are meeting this challenge.

The Pennsylvania State Association of Boroughs is a statewide, non-partisan, non-profit organization dedicated to serving the 955 borough governments in Pennsylvania. Since 1911, PSAB has represented the interests of boroughs and helped to shape the laws that laid their foundation. Today, the Association continues to improve and assist local governments through legislative advocacy, research, education, and other services.

With more than 2.4 million Pennsylvanians residing in borough communities, borough officials strive to deliver quality leadership and service to citizens across the Commonwealth. Today, boroughs represent 37.5 percent of all municipal governments in the Commonwealth. An average of 15 boroughs exist per county and nearly 20 percent of the state's population resides in boroughs.

I am thankful for the opportunity to address a growing crisis that is affecting communities across our state, the rapidly rising cost of fire trucks and emergency apparatus, and the strain this places on boroughs as they attempt to plan responsibly for the future.

Pennsylvania's municipalities are facing an unprecedented crisis in the cost, availability, and procurement of fire apparatus. Over the past decade, the price of a standard fire engine has risen to more than \$1 million, driven by a myriad of factors, but largely by private-equity consolidation in the fire truck manufacturing industry. What once cost \$450,000 now routinely exceeds \$800,000 to \$1.2 million, depending on specifications. Ladder trucks, which are essential for dense or multi-story communities, can surpass \$1.5 million.

These increases are not merely budgetary concerns, but they directly threaten public safety, place a significant strain on local tax bases, and undermine the operational readiness of fire departments across the Commonwealth.

As I mentioned before, we are facing this crisis due to several factors. Private-equity consolidation in the fire truck manufacturing industry is a major factor which has limited the competition in this market. Additional contributing factors include:

- Delivery delays for apparatus lead to uncertainty in pricing;
- New EPA emissions regulation for fire engines manufactured after January 1, 2027;
- Supply chain disruptions that have raised the price of steel, aluminum, electronics, and specialized components;
- Labor shortages in the manufacturing sector, which have slowed production and increased costs.

For small boroughs with limited tax bases, these staggering costs of new fire apparatus are not just challenging, they are destabilizing. Fire apparatus are not optional purchases. They are core public-safety assets, and when a truck reaches the end of its service life, it must be replaced. Yet the financial burden is now so high that many boroughs cannot absorb the cost without significant sacrifice elsewhere in their budgets.

The consequences of these rising costs are already being felt in many communities. Departments are keeping apparatus in service longer, sometimes well beyond recommended life cycles. Additionally, maintenance costs are rising, as older trucks require more frequent and expensive repairs. Volunteer fire companies, which many boroughs rely on, are struggling to fundraise at levels that match modern apparatus prices.

Again, this is not simply a budget issue, it is a public-safety issue. When a fire engine fails to start, when a ladder truck is out of service, or when outdated equipment cannot meet modern firefighting demands, lives and property are at risk. Additionally, this could lead to higher ISO ratings which will increase property casualty insurance premiums.

What can be done locally and at the state level to help mitigate this crisis? PSAB suggests the following to provide more resources to meet the rising costs of fire apparatus.

- Increase the Local Services Tax rate maximum from the current \$52 a year to \$156 a year. (House Bill 2488)
- Increase the maximum millage cap on the special purpose fire tax in the Borough Code. (House Bill 1893) \*Act 54 of 2024 for Montgomery, Bucks, and Delaware Counties.
- Increase the state's 2% tax on foreign fire insurance policies and dedicate the increased revenue to fund fire apparatus.
- Increase and encourage more cooperation with departments regionally.
- Authorize a special purchasing procurement unit specifically for fire apparatus. This will help with bulk purchasing to reduce costs.

Despite these challenges, boroughs are working proactively to adapt. Across the state, we see several emerging strategies including:

- Boroughs are extending their capital planning horizons from 5 years to 10–15 years to anticipate apparatus replacement needs earlier.
- Some municipalities are creating or expanding capital reserve accounts specifically for fire equipment, funded annually to avoid sudden budget shocks.
- Others are exploring shared apparatus, joint purchasing agreements, or regional fire departments to spread costs across multiple municipalities.
- Purchasing used fire apparatus or entering into lease agreements through creative financing instruments.
- Reducing customization and standardizing equipment. By doing so, boroughs can lower costs and shorten delivery times.
- Boroughs are aggressively pursuing grants and are increasingly relying on federal and state grant programs to close funding gaps.
- In a more aggressive strategy, some municipalities have joined federal antitrust lawsuits against manufacturers to fight market consolidation.

These strategies demonstrate that boroughs are not ignoring the problem, they are innovating within their means. But innovation alone cannot overcome the scale of the financial pressures we face.

To ensure that every community can maintain safe, reliable fire protection, we need more predictable state funding streams for fire apparatus replacement, expanded grant opportunities that reflect the new reality of apparatus pricing, support for regionalization efforts, including technical assistance and incentives, and recognition that fire protection is a shared public responsibility.

The rising cost of fire apparatus is not a temporary inconvenience. It is a structural challenge that threatens the operational readiness of fire departments across our state. Boroughs are doing everything they can to plan responsibly, but without broader support, the gap between what communities need and what they can afford will continue to widen. We look forward to working with the fire service and the General Assembly to find further solutions to this problem.

Thank you for the opportunity to testify today. I welcome any questions from the members of the Committee.