

By: Senator(s) Cuevas

To: Environment Prot,
Cons and Water Res

SENATE BILL NO. 3035

1 AN ACT TO AMEND SECTION 49-17-86, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE LOANS FROM THE WATER POLLUTION CONTROL EMERGENCY LOAN
3 FUND TO ASSIST POLITICAL SUBDIVISIONS IN DEFRAYING THE COSTS OF
4 FACILITIES PLANNING AND PRELIMINARY ENGINEERING DESIGN FOR WATER
5 POLLUTION CONTROL REVOLVING FUND PROJECTS; TO LIMIT THE AMOUNT OF
6 LOANS; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 SECTION 1. Section 49-17-86, Mississippi Code of 1972, is
9 amend as follows:

10 49-17-86. (1) (a) There is created a fund in the State
11 Treasury to be designated as the "Water Pollution Control
12 Emergency Loan Fund" hereinafter referred to as "emergency fund."

13 (b) The emergency fund may receive proceeds from the
14 sale of taxable bonds, grants, gifts, donations or funds from any
15 source, public or private. The emergency fund shall be credited
16 with all repayments of principal and interest derived from loans
17 made from the emergency fund.

18 (c) The monies in the emergency fund may be expended
19 only in amounts appropriated by the Legislature.

20 (d) The emergency fund shall be maintained in
21 perpetuity for the purposes established in this act. Unexpended
22 amount remaining in the emergency fund at the end of a fiscal year
23 shall not lapse into the State General Fund. Any interest earned
24 on amounts in the emergency fund shall be deposited to the credit
25 of the fund.

26 (2) The commission shall establish a loan program to assist
27 political subdivisions in making emergency improvements such as
28 repairs to or replacement of machinery, equipment, materials,

29 structures or devices in existing water pollution abatement
30 projects or such other emergency water pollution abatement
31 projects as the commission deems necessary. In addition, loans
32 from the emergency fund may be made to assist political
33 subdivisions in defraying the costs of facilities planning and
34 preliminary engineering design for water pollution control
35 revolving fund projects; however, the amount of any loan for these
36 purposes shall not exceed Twenty-five Thousand Dollars
37 (\$25,000.00). Loans from the emergency fund may be made to
38 political subdivisions as set forth in a loan agreement in amounts
39 not exceeding one hundred percent (100%) of eligible project costs
40 as established by the commission. The commission may require
41 local participation or funding from other sources, or otherwise
42 limit the percentage of costs covered by loans from the emergency
43 fund. The commission may establish a maximum amount for any loan.

44 (3) The emergency fund may be used only:

45 (a) To make loans on the condition that:

46 (i) Loans are made at or below market interest
47 rates, at terms not to exceed ten (10) years after project
48 completion; the interest rate may vary from time to time and from
49 loan to loan at the discretion of the commission.

50 (ii) Periodic principal and interest payments will
51 commence when required by the commission but not later than one
52 (1) year after project completion and all loans will be fully
53 amortized when required by the commission but not later than ten
54 (10) years after project completion.

55 (iii) The recipient of a loan shall establish a
56 dedicated source of revenue for repayment of loans. In addition,
57 the commission may require any loan recipient to impose a per
58 connection surcharge on each customer for repayment of any loan
59 funds provided under this section.

60 (iv) The recipient of the loan is not in arrears
61 in repayments to the Water Pollution Control Revolving Fund, the
62 Water Pollution Control Emergency Loan Fund or under the Water
63 Pollution Abatement Loan Program.

64 (b) To provide financial assistance to political
65 subdivisions in making emergency improvements such as repairs to

66 or replacement of machinery, equipment, materials, structures or
67 devices in existing water pollution abatement projects or such
68 other emergency water pollution abatement projects as the
69 commission deems necessary.

70 (4) The commission shall establish a system of evaluating
71 the eligibility of projects, including a determination of the
72 emergency nature of a situation for which funding is sought.

73 (5) The fund will be credited with all payments of principal
74 and interest derived from the fund uses described in subsection
75 (3) of this section.

76 (6) The commission may establish and collect fees to defray
77 the reasonable costs of administering the emergency fund. Any
78 administrative fees may be included in loan amounts to political
79 subdivisions for the purpose of facilitating payment to the
80 commission; fees may not exceed five percent (5%) of the loan
81 amount. The commission may also use administrative fees collected
82 pursuant to Section 49-17-85 to defray the reasonable costs of
83 administering the emergency fund.

84 SECTION 2. This act shall take effect and be in force from
85 and after July 1, 1999.