

By: Ellington

To: Conservation and  
Water Resources

HOUSE BILL NO. 1174  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 49-17-86, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE USE OF MONIES IN THE WATER POLLUTION CONTROL  
3 EMERGENCY LOAN FUND TO DEFRAY ADMINISTRATIVE EXPENSES; AND FOR  
4 RELATED PURPOSES.

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

6 SECTION 1. Section 49-17-86, Mississippi Code of 1972, is  
7 amended as follows:

8 49-17-86. (1) (a) There is created a fund in the State  
9 Treasury to be designated as the "Water Pollution Control  
10 Emergency Loan Fund" hereinafter referred to as "emergency fund."

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

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

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

24 (2) The commission shall establish a loan program to assist  
25 political subdivisions in making emergency improvements such as  
26 repairs to or replacement of machinery, equipment, materials,  
27 structures or devices in existing water pollution abatement

28 projects or such other emergency water pollution abatement  
29 projects as the commission deems necessary. Loans from the  
30 emergency fund may be made to political subdivisions as set forth  
31 in a loan agreement in amounts not exceeding one hundred percent  
32 (100%) of eligible project costs as established by the commission.

33 The commission may require local participation or funding from  
34 other sources, or otherwise limit the percentage of costs covered  
35 by loans from the emergency fund. The commission may establish a  
36 maximum amount for any loan not to exceed Three Hundred Fifty  
37 Thousand Dollars (\$350,000.00).

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

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

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

44 (ii) Periodic principal and interest payments will  
45 commence when required by the commission but not later than one  
46 (1) year after project completion and all loans will be fully  
47 amortized when required by the commission but not later than ten  
48 (10) years after project completion.

49 (iii) The recipient of a loan shall establish a  
50 dedicated source of revenue for repayment of loans. In addition,  
51 the commission may require any loan recipient to impose a per  
52 connection surcharge on each customer for repayment of any loan  
53 funds provided under this section.

54 (iv) The recipient of the loan is not in arrears  
55 in repayments to the Water Pollution Control Revolving Fund, the  
56 Water Pollution Control Emergency Loan Fund or under the Water  
57 Pollution Abatement Loan Program.

58 (b) To provide financial assistance to political  
59 subdivisions in making emergency improvements such as repairs to  
60 or replacement of machinery, equipment, materials, structures or  
61 devices in existing water pollution abatement projects or such  
62 other emergency water pollution abatement projects as the  
63 commission deems necessary.

64 (c) To defray the reasonable costs of administering the

65 emergency fund and conducting activities under this section,  
66 subject to annual appropriation by the Legislature.

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

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

73 (6) In addition to any amounts allowed under subsection  
74 (3)(c), the commission may establish and collect fees to further  
75 defray the reasonable costs of administering the emergency fund.  
76 Any administrative fees may be included in loan amounts to  
77 political subdivisions for the purpose of facilitating payment to  
78 the commission; fees may not exceed five percent (5%) of the loan  
79 amount. The commission may also use administrative fees collected  
80 pursuant to Section 49-17-85 to defray the reasonable costs of  
81 administering the emergency fund.

82 SECTION 2. This act shall take effect and be in force from  
83 and after July 1, 2000.