

By: Dearing

To: Environment Prot,
Cons and Water Res;
Appropriations

SENATE BILL NO. 2928

1 AN ACT TO AMEND SECTION 49-17-86, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE USE OF CERTAIN MONIES IN THE WATER POLLUTION
3 CONTROL EMERGENCY LOAN FUND TO DEFRAY ADMINISTRATIVE EXPENSES; AND
4 FOR 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:[CRG1]

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

81 SECTION 2. This act shall take effect and be in force from
82 and after its passage.