

Regular Session, 2010

HOUSE BILL NO. 913

BY REPRESENTATIVE CHAMPAGNE

ENVIRONMENT/WATER: Provides for Dept. of Environmental Quality revolving loan programs

1 AN ACT

2 To amend and reenact R.S. 30:2011(A)(3) and (D)(4) and (23), 2074(A)(4), 2397, R.S.
3 33:4548.13, and R.S. 40:2821(B)(2) and 2824(B), to enact Chapter 14 of Title 30
4 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 30:2301 through
5 2306 and R.S. 39:1022(C), and to repeal R.S. 30:2078 through 2088, relative to
6 certain loans for water infrastructure from the revolving loan funds; to provide for
7 the Department of Environmental Quality; to provide for the powers and duties of
8 the secretary of the Department of Environmental Quality; to establish the Clean
9 Water State Revolving Fund and replace the Municipal Facilities Revolving Loan
10 Fund; to provide for approval of the State Bond Commission; and to provide for
11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 30:2011(A)(3) and (D)(4) and (23),2074(A)(4), and 2397 are hereby
14 amended and reenacted and Chapter 14 of Title 30 of the Louisiana Revised Statutes of
15 1950, comprised of R.S. 30:2301 through 2306 is hereby enacted to read as follows:

16 §2011. Department of Environmental Quality created; duties; powers; structure

17 A.

18 * * *

19 (3) The department is authorized and empowered to administer, maintain,
20 and operate the ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving

1 Fund as created and provided in R.S. ~~30:2078~~ 30:2301 et seq. In connection with
 2 such administration, maintenance, and operation, the department is authorized to
 3 incur debt and issue bonds, notes, or other evidences of indebtedness, and is
 4 authorized to pledge the sums in, credited to, or payable to the ~~Municipal Facilities~~
 5 ~~Revolving Loan~~ Clean Water State Revolving Fund as security for the debt of other
 6 entities, and is authorized to arrange, provide for, and pay the cost of credit
 7 enhancement devices for its debt and the debt of other entities in order to provide
 8 funds in connection with the ~~Municipal Facilities Revolving Loan~~ Clean Water State
 9 Revolving Fund Program. Any such evidence of indebtedness, guarantee, pledge,
 10 or credit enhancement device shall be authorized, executed, and delivered by the
 11 secretary or his designee in accordance with the provisions and subject to the
 12 limitations provided in R.S. 30:2011(D)(23) and ~~2080 through 2088~~ R.S. 30:2301
 13 et seq. for the ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving
 14 Fund.

15 * * *

16 D. The secretary shall have the following powers and duties:

17 * * *

18 (4) To apply for and accept grants of money from the United States
 19 Environmental Protection Agency or other federal agencies for the purpose of
 20 making funds available to ~~political subdivisions~~ eligible recipients in this state for
 21 the planning, design, construction, and rehabilitation of wastewater treatment
 22 facilities ~~and or other related~~ eligible activities. The department may contract to
 23 receive such grants, agree to match the grant in whole or in part when required, and
 24 to comply with applicable federal laws and regulations in order to secure the grants.
 25 Money received through these grants and state matching funds shall be deposited
 26 into the ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving Fund or
 27 used for appropriate administrative purposes.

28 * * *

1 (23) To authorize by executive order, the issuance, sale, execution, and
 2 delivery of bonds, notes, or other evidences of indebtedness of the department,
 3 obligations representing guarantees by the department of the debt of other entities,
 4 and the granting of pledges of the sums deposited in, credited to, or payable to the
 5 ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving Fund as created
 6 and provided in R.S. ~~30:2078~~ 30:2301 et seq., including sums to be received
 7 pursuant to letters of credit, as security for the debts of other entities, subject to the
 8 approval of the State Bond Commission.

9 * * *

10 §2074. Water quality control; secretary of environmental quality; powers and duties

11 A. The department shall have the following powers and duties with respect
 12 to water quality control:

13 * * *

14 (4) To administer the ~~Municipal Facilities Revolving Loan~~ Clean Water
 15 State Revolving Fund as established in R.S. ~~30:2078~~ 30:2302. The department is also
 16 authorized to enter into contracts and other agreements in connection with the
 17 operation of the ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving
 18 Fund to the extent necessary or convenient for the implementation of the ~~Municipal~~
 19 ~~Facilities Revolving Loan~~ Clean Water State Revolving Fund Program.

20 * * *

21 §2397. Distribution of revenue

22 The state treasurer shall each fiscal year deposit the revenues generated under
 23 the provisions of this Chapter, from taxes applicable to the sale of reclaimed water,
 24 or other sources as provided for by law into the Bond Security and Redemption
 25 Fund. Out of the funds from such sources remaining in the Bond Security and
 26 Redemption Fund after a sufficient amount is allocated from that fund to pay all
 27 obligations secured by the full faith and credit of the state which become due and
 28 payable within any fiscal year, the treasurer shall deposit an amount equal to one-
 29 quarter of the revenues generated from the reclaimed water program into the

1 ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving Fund, enacted in
 2 R.S. ~~30:2078~~ 30:2301, which shall be used for making grants to local governments
 3 to finance primary waste treatment facilities; one-quarter into the Coastal Resources
 4 Trust Fund, created in R.S. 49:214.40, and the remainder shall be used by the
 5 Department of Natural Resources for the protection of groundwater resources. Use
 6 of these funds shall be subject to an appropriation by the legislature.

7 * * *

8 CHAPTER 14. CLEAN WATER STATE REVOLVING FUND

9 §2301. Definitions

10 As used in this Chapter, the following terms shall have the following
 11 meaning:

12 (1) "Clean Water State Revolving Fund" or "CWSRF" means the water
 13 pollution control revolving loan fund previously established by Act No. 349 of the
 14 Regular Session of the Louisiana Legislature for the year 1986, as amended, and
 15 formerly known as the "Municipal Facilities Revolving Loan Fund", which fund
 16 shall continue to exist pursuant to and under the terms of this Chapter.

17 (2) "Department" means the Department of Environmental Quality.

18 (3) "Eligible recipient" means a political subdivision, public trust, agency or
 19 commission of the State, or a private entity, to the extent permitted by the federal act
 20 or federal regulations.

21 (4) "Federal act" means the Clean Water Act of 1972, as amended by the
 22 Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the
 23 United States Code, and any amendments thereto relating to water pollution control
 24 revolving loan funds established by the respective states, including the CWSRF.

25 (5) "Federal regulations" means Part 35, Title 40 of the Code of Federal
 26 Regulations (40 CFR 35.3100, et seq.) relating to water pollution control revolving
 27 loan funds established by the respective states, including the CWSRF.

1 §2302. Clean Water State Revolving Fund; established

2 A. The Clean Water State Revolving Fund is hereby established and shall be
3 maintained and operated by the department. Grants from the federal government
4 allotted to the state for the capitalization of the CWSRF, and state funds when
5 required, or otherwise made available, shall be deposited directly in or credited to the
6 account of the CWSRF in compliance with the terms of the federal or state grant.
7 The CWSRF shall provide assistance to eligible recipients for any activities of the
8 CWSRF as may be permitted by the federal act or federal regulations and by this
9 Chapter.

10 B. The department is authorized to enter into contracts and other agreements
11 in connection with the operation of the CWSRF, including but not limited to credit
12 enhancement devices, guarantees, pledges, interest rate swap agreements, contracts
13 and agreements with federal agencies, political subdivisions, public trusts, agencies
14 or commissions of the state, and other parties to the extent necessary or convenient
15 for the implementation of the CWSRF. The department shall maintain full authority
16 for the operation of the CWSRF in accordance with applicable federal and state law.

17 §2303. Clean Water State Revolving Fund; authorized activities

18 A. Money in or credited to the account of or to be received by the CWSRF,
19 including sums to be received pursuant to letters of credit or from any other source,
20 shall be expended, committed or pledged, in a manner consistent with terms and
21 conditions of the grants and other sources of said deposits, credits, and letters of
22 credit, and of all applicable federal and state legislation and may be used:

23 (1) To make loans to eligible recipients to purchase debt obligations from
24 federal funds or funds on deposit in, credited to, or to be received by the CWSRF,
25 including from the proceeds of letters of credit, at or below market interest rates for
26 a period not to exceed thirty years from the completion of the construction of a
27 project approved by the department.

28 (2) To offer and to make or enter into loan guarantees for eligible recipients.

1 (3) To provide payments to reduce interest on loans and loan guarantees to
2 eligible recipients.

3 (4) To provide additional subsidization to eligible recipients in the form of
4 bond interest subsidies, forgiveness of principal, negative interest loans or grants, or
5 any combination of these.

6 (5) To provide bond guarantees to eligible recipients.

7 (6) To provide assistance to eligible recipients with respect to the non-federal
8 share of the costs of a project.

9 (7) To finance the cost of facility planning and the preparation of plans,
10 specifications, and estimates for construction of projects for eligible recipients as
11 may be approved by the department.

12 (8) To provide financial assistance to eligible recipients for the construction
13 and rehabilitation of a project on the state priority list.

14 (9) To secure principal, interest, and premium if any, on bonds or other
15 evidence of indebtedness issued by the department, or any agency, commission,
16 authority, or public corporation of the state, by any public trust or by any other entity
17 having the authority to issue debt for or on behalf of the state, or any political
18 subdivision state if the proceeds of such bonds are deposited in the CWSRF, the
19 proceeds of such bonds are used to pay for a project approved by the department, or
20 the proceeds of such bonds are used to refund any obligation the proceeds of which
21 are used to pay for an approved project to the extent provided and allowed by the
22 terms of the federal grant.

23 (10) To make, enter into, or provide for loan guarantees for similar revolving
24 funds established by instrumentalities, public trusts or agencies of the state, political
25 subdivisions, or intermunicipal or interstate agencies.

26 (11) To purchase or refinance, at or below market rates, debt incurred by
27 political subdivisions for wastewater treatment projects, where such debt obligations
28 were incurred after March 7, 1985.

1 (12) To improve credit market access by guaranteeing, arranging, or
2 purchasing bond insurance or other credit enhancement devices for debt obligations
3 issued by the department, or any eligible recipient issued for a purpose authorized
4 by this section.

5 (13) To provide any other assistance or to fund any other programs which the
6 federal government authorizes by law, regulation, or the terms of any grants.

7 (14) To fund the administrative expenses of the department related to the
8 CWSRF.

9 (15) To provide for any other expenditure consistent with the federal grant
10 program and state law, including grants.

11 B. Money not currently needed for the operation of the Clean Water State
12 Revolving Fund or otherwise dedicated may be invested in an interest bearing
13 account. All such interest earned on investments shall be credited to the Clean Water
14 State Revolving Fund.

15 §2304. Clean Water State Revolving Fund; political subdivisions and public trusts;
16 loans

17 A. Notwithstanding any provisions of law to the contrary, and in addition to
18 the authority to borrow money or incur debt under any other provisions of law, any
19 political subdivision or public trust is hereby authorized to borrow money from and
20 incur debt payable to the department in accordance with the provisions hereof and
21 subject to the approval of the State Bond Commission. This Section shall not be
22 deemed to be the exclusive authority under which political subdivisions or public
23 trusts may borrow money from or incur indebtedness to the department.

24 B. All bonds, notes, or other evidence of indebtedness of any political
25 subdivisions and public trusts issued to represent an obligation to repay a CWSRF
26 loan shall be authorized and issued pursuant to a resolution or ordinance of the
27 governing authority of such entity, which shall prescribe the form and details thereof,
28 including the terms, security for, manner of execution, repayment schedule, and
29 redemption features thereof and such resolution or ordinance may provide that an

1 officer of such entity may execute in connection with such obligation any related
2 contract, including but not limited to a credit enhancement device, indenture of trust,
3 loan agreement, pledge agreement, or other agreement or contract needed to
4 accomplish the purposes for which said indebtedness is given. Any such resolution
5 or ordinance shall set forth the maximum principal amount, the maximum interest
6 rate, the maximum redemption premium, if any, and maximum term of such
7 indebtedness.

8 C. Notwithstanding any other provision of law to the contrary, any political
9 subdivision, or public trust upon entering into a loan from the CWSRF under this
10 section may dedicate and pledge a portion of any revenues it has available to it
11 including but not limited to revenues from the general revenue fund, sales taxes,
12 sewer user fees, assessments, parcel fees, or property taxes of the political
13 subdivision for a term not exceeding thirty years for repayment of the principal of,
14 interest on, and any premium, administrative fee, or other fee or cost imposed by the
15 department in connection with such loan; provided that any loan made solely for the
16 purpose of financing the cost of facility planning and the preparation of plans,
17 specifications, and estimates for construction of projects approved by the department
18 shall have a term not to exceed five years from the date thereof.

19 D. Any evidence of indebtedness authorized pursuant to the provisions
20 thereof shall bear a rate or rates of interest that shall not exceed the rate or rates set
21 forth in the resolution or ordinance authorizing and providing for the issuance
22 thereof. Any such rate or rates of interest may be at fixed, variable or adjustable
23 rates.

24 E. Bonds, notes or other evidence of indebtedness of a political subdivision
25 shall be sold at a private, negotiated sale to the department at such price or prices,
26 including premiums and discounts as shall be authorized in the resolution or
27 ordinance of the borrower and agreed to by the department. The general laws of the
28 state governing fully registered securities of public entities shall be applicable to the
29 bonds, notes, or other evidence of indebtedness issued pursuant to this Section.

1 F. All resolutions or ordinances authorizing the issuance of bonds, notes, or
2 other evidence of indebtedness of a political subdivision hereunder shall be
3 published once in the official journal of the borrower. It shall not be necessary to
4 publish exhibits to such resolution or ordinance, but such exhibits shall be made
5 available for public inspection at the offices of the governing authority of borrower
6 at reasonable times and such fact must be stated in the publication. For a period of
7 thirty days after the date of such publication any persons in interest may contest the
8 legality of the resolution or ordinance authorizing such evidence of indebtedness and
9 any provisions thereof made for the security and payment thereof. After such thirty
10 day period no one shall have any cause or right of action to contest the regularity,
11 formality, legality, or effectiveness of said resolution or ordinance and the provisions
12 thereof or of the bonds, notes or other evidence of indebtedness authorized thereby
13 for any cause whatsoever. If no suit, action, or proceeding is begun contesting the
14 validity of the bonds, notes, or other evidence of indebtedness authorized pursuant
15 to such resolution or ordinance within the thirty days herein prescribed, the authority
16 to issue the bonds, notes, or other evidence of indebtedness, or to provide for the
17 payment thereof, and the legality thereof, and all of the provisions of the resolution
18 or ordinance and such evidence of indebtedness shall be conclusively presumed, and
19 no court shall have authority or jurisdiction to inquire into any such matter.

20 G. Bonds, notes, or other evidence of indebtedness of a political subdivision
21 issued under the authority of this Section shall be exempt from all taxation for state,
22 parish, municipal, or other purposes. Such bonds, notes, or other evidence of
23 indebtedness shall be legal and authorized investments for banks, savings banks,
24 insurance companies, any other financial institution, tutors of minors, curators of
25 interdicts, trustees, and other fiduciaries. Such bonds, notes, or other evidence of
26 indebtedness may be used for deposit with any officer, board, or political subdivision
27 of the state, in any case where, by present or future laws, deposit of security is
28 required for state funds.

1 H. The department may by suit, action, mandamus, or other proceedings,
2 protect and enforce any covenant relating to and the security provided in connection
3 with any indebtedness issued pursuant to this section, and may by suit, action,
4 mandamus, or other proceedings enforce and compel performance of all of the duties
5 required to be performed by the governing body and officials of any borrower
6 hereunder and in any proceedings authorizing the issuance of such bonds or other
7 evidences of indebtedness.

8 §2305. Authority of the department; incur debt; issue and undertake guarantees of
9 debt of other entities

10 A. The department is hereby authorized to issue, incur, and deliver debt
11 evidenced by bonds, notes, or other evidences of indebtedness, payable from or
12 secured by sums deposited in, credited to, or to be received in, including sums
13 received pursuant to letters of credit, by the department in the CWSRF.

14 B. The department is further authorized to undertake and to issue and deliver
15 evidences of its guarantee of the debt of other entities and is authorized to enter and
16 execute pledges of the sums deposited in, credited to, or to be received in the
17 CWSRF, including payments pursuant to letters of credit, to secure the debt of other
18 entities. Such bonds, notes, or other evidences of indebtedness, such guarantees, and
19 such pledges issued and delivered pursuant to the authority hereof shall constitute
20 special and limited obligations of the department, and shall not be secured by the full
21 faith and credit of the state, any source of revenue of the state other than those sums
22 on deposit in, credited to, or to be received in the CWSRF, including payments to be
23 made pursuant to letters of credit. It is hereby found and determined that such bonds,
24 notes, or other evidences of indebtedness, guarantees, and pledges shall constitute
25 revenue bonds, debts, or obligations within the meaning of Article VII, Section 6(C)
26 of the Constitution of Louisiana and shall not constitute the incurring of state debt
27 thereunder.

28 C. Withdrawals from the CWSRF to pay debt service on any bond, note, or
29 other evidence of indebtedness, obligation of guarantee of any debt, or pledge to

1 secure any debt does not constitute and shall not be subject to annual appropriation
2 by the legislature as provided by Article III, Section 16 of the Constitution of
3 Louisiana.

4 D. The department is hereby authorized to issue, execute, and deliver
5 refunding bonds, notes, or other evidences of indebtedness for the purpose of
6 refunding, readjusting, restructuring, refinancing, extending, or unifying in whole or
7 any part of its outstanding obligations, and the department is also authorized to issue
8 short-term revenue notes for the purposes of anticipating any revenues to be received
9 by the department in connection with the CWSRF.

10 §2306. Manner of authorizing, issuing, executing, and delivering debt or guarantees
11 of debt of other entities

12 A. All bonds, notes, or other evidences of indebtedness, guarantees of the
13 debt of other entities or pledges of assets to the payment of debts of other entities
14 shall be authorized and issued pursuant to an executive order issued by the secretary
15 of the department, and such executive order shall include a statement as to the
16 maximum principal amount of any such obligation, guarantee, or pledge, the
17 maximum interest rate to be incurred or borne by said obligation or guaranteed by
18 said obligation, the maximum redemption premium, if any, and the maximum term
19 in years for such evidence of indebtedness, obligation, guarantee, or pledge, and such
20 executive order shall prescribe the form, anticipated terms, security, manner of
21 execution, redemption features, and method of fixing the final details thereof. Such
22 executive order may provide that the secretary or his designee shall execute in
23 connection with any such obligation any other related contract, including but not
24 limited to credit enhancement devices, indentures of trust, pledge agreements, loan
25 agreements, or any other ancillary agreements or contracts needed to accomplish the
26 purposes for which said evidence of indebtedness, guarantee, or pledge is given in
27 substantially the form attached to said executive order but which final indenture,
28 guarantee, pledge, or other contract or agreement may contain such changes,
29 additions, and deletions as shall in the sole opinion of the designated officer of the

1 department executing any such contract be determined to be appropriate under the
2 circumstances. The bonds, notes, other evidences of indebtedness, and obligations
3 issued under the provisions of this Section shall be subject to the general laws of the
4 state regarding defeasance and fully registered securities of public entities.

5 B. Bonds, notes, or other evidences of indebtedness of the department may
6 bear, and the department may guarantee or pledge the assets of the CWSRF to the
7 payment of debt of other entities that bear, a rate or rates of interest at fixed, variable,
8 or adjustable rates. Any such obligation may be non-interest bearing in the form of
9 capital appreciation obligations.

10 C. Bonds, notes, or other evidences of indebtedness of the department shall
11 be sold by the State Bond Commission at either public or private sale and may be
12 sold at such price or prices, including premiums and discounts, as may be determined
13 to be in the best interest of the department by the secretary, with the approval of the
14 State Bond Commission. If any such evidences of indebtedness are to be sold at a
15 public sale, a notice of the sale shall be published in accordance with the provisions
16 of R.S. 39:1426 and shall be awarded to the best bidder therefor by the State Bond
17 Commission, but the State Bond Commission may reject any and all bids received.

18 D. The department may, in connection with the sale of any bonds, notes, or
19 other evidences of indebtedness, use municipal bond insurance, bank guarantees,
20 surety bonds, letters of credit, interest rate swap agreements, and other devices to
21 enhance the credit quality of any such obligations, the cost of which may be paid
22 from the proceeds of the bonds, notes, or other evidences of indebtedness or other
23 lawfully available funds. Such credit enhancement devices may be entered into prior
24 to, at the time of, or subsequent to, the issuance of any such obligations.

25 E. All executive orders of the secretary authorizing the issuance of bonds,
26 notes, or other evidences of indebtedness of the department shall be published once
27 in the official journal of the state. It shall not be necessary to publish exhibits to any
28 such executive order, but such exhibits shall be made available for public inspection
29 at the offices of the secretary of the department at reasonable times and such fact

1 must be stated in the publication. For a period of thirty days after the date of such
2 publication any persons in interest may contest the legality of the executive order and
3 any provisions thereof made for the security and payment of any such bonds, notes,
4 or other obligations, guarantees, or pledges. After such thirty-day period no one
5 shall have any cause or right of action to contest the regularity, formality, legality,
6 or effectiveness of said executive order and the provisions thereof or of the bonds,
7 notes, or other evidence of indebtedness authorized thereby or any guarantee or
8 pledge authorized thereby for any cause whatsoever. If no suit, action, or proceeding
9 is begun contesting the validity of the bonds, notes, or other obligations authorized
10 pursuant to such executive order within the thirty days herein prescribed, the
11 authority to issue the bonds, notes, or other obligations, to enter into the guarantee,
12 or to make the pledge to provide for the payment thereof, and the legality thereof,
13 and of all the provisions of the executive order shall be conclusively presumed and
14 no court shall have authority or jurisdiction to inquire into any such matter.

15 F. Bonds, notes, or other evidences of indebtedness issued under the authority
16 of this Section or Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950,
17 shall be exempt from all taxation for state, parish, municipal, or other purposes.
18 Such bonds, notes, or other evidences of indebtedness may be used for deposit with
19 any officer, board, or other political subdivision of the State, in any case where, by
20 present or future laws, deposit of security is required for state funds.

21 G. Notwithstanding the provisions of this Chapter, the department shall not
22 directly issue any bonds, notes, or other evidences of indebtedness except to any
23 commission, authority, or public corporation of the state , any public trust, political
24 subdivision of the state , or any other entity having the authority to issue debt for or
25 on behalf of the state, or any other political subdivision of the state.

26 Section 2. R.S. 33:4548.13 is hereby amended and reenacted to read as follows:

27 §4548.13. Cooperation of state agencies

28 All state officers and agencies are authorized to render such services to the
29 authority within their respective functions as may be requested by the authority. In

1 addition, the authority is authorized to enter into such contracts, cooperative
2 endeavor agreements, or other agreements with the Department of Environmental
3 Quality with respect to the ~~Municipal Facilities Revolving Loan~~ Clean Water State
4 Revolving Fund or any other state agency regarding other revolving loan funds as
5 the parties may desire in order to implement the provisions of this Chapter and
6 Chapter 4 14 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950.

7 Section 3. R.S. 39:1022(C) is hereby enacted to read as follows:

8 §1022. Publication of resolution; contesting validity

9 * * *

10 C. Notwithstanding the provisions of Subsection A of this Section, any
11 indebtedness that represents a loan to a political subdivision under this Part from the
12 Drinking Water Revolving Loan Fund or the Clean Water State Revolving Fund
13 must be approved by the State Bond Commission prior to the incurring of such
14 indebtedness; however the State Bond Commission shall not be required to approve
15 the contents of the notice of intention required by Subsection A of this Section.

16 Section 4. R.S. 40:2824(B)(2) and 2824(B) are hereby amended and reenacted to read
17 as follows:

18 §2821. Legislative findings

19 * * *

20 B. The legislature finds and declares that:

21 * * *

22 (2) The Department of Environmental Quality has, since 1989, been
23 operating and maintaining the ~~Municipal Facilities Revolving Loan~~ Clean Water
24 State Revolving Fund in accordance with the Federal Water Pollution Control Act
25 (33 U.S.C. 1251 et seq.), commonly referred to as the Clean Water Act, to provide
26 assistance to wastewater treatment facilities owned or operated by municipalities and
27 other political subdivisions, and for other assistance allowed by such Act.

28 * * *

1 §2824. Drinking Water Revolving Loan Fund

2 * * *

3 B. The Department of Health and Hospitals, office of public health, shall
4 segregate the funds associated with the drinking water loan fund as may be required
5 by the federal act, grant agreements, or interagency agreements. The Department of
6 Health and Hospitals shall keep any accounts associated with the drinking water loan
7 fund separate from any accounts associated with the ~~Municipal Facilities Revolving~~
8 ~~Loan~~ Clean Water State Revolving Fund authorized in R.S. ~~30:2078~~ 30:2301 et seq.

9 * * *

10 Section 5. R.S. 30:2078 through 2088 are hereby repealed in their entirety.

11 Section 6. This Act shall become effective upon signature by the governor or, if not
12 signed by the governor, upon expiration of the time for bills to become law without signature
13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
14 vetoed by the governor and subsequently approved by the legislature, this Act shall become
15 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Champagne

HB No. 913

Abstract: Changes the Municipal Facilities Revolving Loan Fund to the Clean Water State Revolving Fund, provides for the administration of the program, and approval of indebtedness of loan programs.

Present law authorizes the Department of Environmental Quality (hereinafter "DEQ") to administer and operate the Municipal Facilities Revolving Loan Fund. DEQ is authorized to issue, incur, and deliver debt evidenced by bonds, notes or other evidences of indebtedness, and to guarantee the debt of local municipalities, all payable from or secured by sums in the Municipal Facilities Revolving Loan Fund, for the purpose of assisting municipalities in the financing of construction of wastewater treatment facilities. DEQ is further authorized to provide low cost loans to such entities for such purposes. The secretary of DEQ may use an executive order to authorize the issuance, sale, execution, and delivery of bonds and other evidences of indebtedness of the department, which order shall include the maximum principal amount of any such obligation. All sales of bonds shall be subject to approval of, and the sale performed by, the State Bond Commission. Such bonds shall not be secured by the full faith and credit of any source of revenue of the state of Louisiana other than monies from the Municipal Facilities Revolving Loan Fund. Such bonds, pledges and guarantees shall be exempt from all taxation for state, parish, and municipal or other purposes. Such bonds, pledges and guarantees shall constitute revenue bonds within the

meaning of Art. VII, Section 6(C) of the Louisiana Constitution, and shall not constitute the incurring of state debt. Payments from the Municipal Facilities Revolving Loan Fund to pay debt service on any bond, guarantee, or pledge to secure any debt shall not be subject to annual appropriation by the legislature.

Present law authorizes DEQ to enter into contracts and agreements as necessary for the administration of the Municipal Facilities Revolving Loan Fund.

Present law authorizes DEQ to issue and deliver refunding bonds and revenue anticipation notes in connection with the Municipal Facilities Revolving Loan Fund.

Proposed law retains present law except changes the name of the fund to the Clean Water State Revolving Loan Fund.

Proposed law increases the maximum term for loans from the fund from 20 years to 30 years and increases the term for planning and preparations for projects from two years to five years.

Proposed law provides that any indebtedness that represents a loan to a political subdivision from the Clean Water State Revolving Fund or the Drinking Water Revolving Loan Fund must be approved by the State Bond Commission prior to the incurring of such indebtedness, but not for the contents of the notice of intention.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amend R.S. 30:2011(A)(3) and (D)(4) and (23), 2074(A)(4), 2397, R.S. 33:4548.13, and R.S. 40:2824(B)(2) and 2824(B); Adds R.S. 30:2301-2306 and R.S. 39:1022(C); And Repeals R.S. 30:2078-2088)