

Regular Session, 2010

HOUSE BILL NO. 913

BY REPRESENTATIVES CHAMPAGNE, BILLIOT, HENRY BURNS, FOIL,  
GISCLAIR, GUINN, HARRISON, MONTOUCET, MORRIS, AND ST. GERMAIN

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 of  
4 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 redesignate the  
9 Municipal Facilities Revolving Loan Fund as the Clean Water State Revolving Fund;  
10 to provide for notices of intention to issue certain bonds; and to provide for related  
11 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  
21 Fund as created and provided in R.S. ~~30:2078~~ 30:2301 et seq. In connection with

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

14 \* \* \*

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

16 \* \* \*

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

27 \* \* \*

28 (23) To authorize by executive order, the issuance, sale, execution, and  
 29 delivery of bonds, notes, or other evidences of indebtedness of the department,

1 obligations representing guarantees by the department of the debt of other entities,  
 2 and the granting of pledges of the sums deposited in, credited to, or payable to the  
 3 ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving Fund as created  
 4 and provided in R.S. ~~30:2078~~ 30:2301 et seq., including sums to be received  
 5 pursuant to letters of credit, as security for the debts of other entities, subject to the  
 6 approval of the State Bond Commission.

7 \* \* \*

8 §2074. Water quality control; secretary of environmental quality; powers and duties  
 9 A. The department shall have the following powers and duties with respect  
 10 to water quality control:

11 \* \* \*

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

18 \* \* \*

19 §2397. Distribution of revenue  
 20 The state treasurer shall each fiscal year deposit the revenues generated under  
 21 the provisions of this Chapter, from taxes applicable to the sale of reclaimed water,  
 22 or other sources as provided for by law into the Bond Security and Redemption  
 23 Fund. Out of the funds from such sources remaining in the Bond Security and  
 24 Redemption Fund after a sufficient amount is allocated from that fund to pay all  
 25 obligations secured by the full faith and credit of the state which become due and  
 26 payable within any fiscal year, the treasurer shall deposit an amount equal to one-  
 27 quarter of the revenues generated from the reclaimed water program into the  
 28 ~~Municipal Facilities Revolving Loan~~ Clean Water State Revolving Fund, enacted in  
 29 R.S. ~~30:2078~~ 30:2301, which shall be used for making grants to local governments

1 to finance primary waste treatment facilities; one-quarter into the Coastal Resources  
2 Trust Fund, created in R.S. 49:214.40, and the remainder shall be used by the  
3 Department of Natural Resources for the protection of groundwater resources. Use  
4 of these funds shall be subject to an appropriation by the legislature.

5 \* \* \*

6 CHAPTER 14. CLEAN WATER STATE REVOLVING FUND

7 §2301. Definitions

8 As used in this Chapter, the following terms shall have the following  
9 meaning:

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

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

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

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

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

26 §2302. Clean Water State Revolving Fund; established

27 A. The Clean Water State Revolving Fund is hereby established and shall be  
28 maintained and operated by the department. Grants from the federal government  
29 allotted to the state for the capitalization of the CWSRF, and state funds when

1        required, or otherwise made available, shall be deposited directly in or credited to the  
2        account of the CWSRF in compliance with the terms of the federal or state grant.  
3        The CWSRF shall provide assistance to eligible recipients for any activities of the  
4        CWSRF as may be permitted by the federal act or federal regulations and by this  
5        Chapter.

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

13       §2303. Clean Water State Revolving Fund; authorized activities

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

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

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

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

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

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

2           (6) To provide assistance to eligible recipients with respect to the nonfederal  
3 share of the costs of a project.

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

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

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

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

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

24           (12) To improve credit market access by guaranteeing, arranging, or  
25 purchasing bond insurance or other credit enhancement devices for debt obligations  
26 issued by the department, or any eligible recipient issued for a purpose authorized  
27 by this Section.

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

1           (14) To fund the administrative expenses of the department related to the  
2           CWSRF.

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

5           B. Money not currently needed for the operation of the Clean Water State  
6           Revolving Fund or otherwise dedicated may be invested in an interest-bearing  
7           account. All such interest earned on investments shall be credited to the Clean Water  
8           State Revolving Fund.

9           §2304. Clean Water State Revolving Fund; political subdivisions and public trusts;  
10           loans

11           A. Notwithstanding any provisions of law to the contrary, and in addition to  
12           the authority to borrow money or incur debt under any other provisions of law, any  
13           political subdivision or public trust is hereby authorized to borrow money from and  
14           incur debt payable to the CWSRF in accordance with the provisions hereof and  
15           subject to the approval of the State Bond Commission. This Section shall not be  
16           deemed to be the exclusive authority under which political subdivisions or public  
17           trusts may borrow money from or incur indebtedness to the CWSRF.

18           B. All bonds, notes, or other evidence of indebtedness of any political  
19           subdivisions and public trusts issued to represent an obligation to repay a CWSRF  
20           loan shall be authorized and issued pursuant to a resolution or ordinance of the  
21           governing authority of such entity, which shall prescribe the form and details thereof,  
22           including the terms, security for, manner of execution, repayment schedule, and  
23           redemption features thereof and such resolution or ordinance may provide that an  
24           officer of such entity may execute in connection with such obligation any related  
25           contract, including but not limited to a credit enhancement device, indenture of trust,  
26           loan agreement, pledge agreement, or other agreement or contract needed to  
27           accomplish the purposes for which said indebtedness is given. Any such resolution  
28           or ordinance shall set forth the maximum principal amount, the maximum interest

1 rate, the maximum redemption premium, if any, and the maximum term of such  
2 indebtedness.

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

14 D. Any evidence of indebtedness authorized pursuant to the provisions of  
15 this Chapter shall bear a rate or rates of interest that shall not exceed the rate or rates  
16 set forth in the resolution or ordinance authorizing and providing for the issuance  
17 thereof. Any such rate or rates of interest may be at fixed, variable, or adjustable  
18 rates.

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

25 F. All resolutions or ordinances authorizing the issuance of bonds, notes, or  
26 other evidence of indebtedness of a political subdivision hereunder shall be  
27 published once in the official journal of the borrower. It shall not be necessary to  
28 publish exhibits to such resolution or ordinance, but such exhibits shall be made  
29 available for public inspection at the offices of the governing authority of the

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

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

25 H. The department may by suit, action, mandamus, or other proceedings,  
26 protect and enforce any covenant relating to and the security provided in connection  
27 with any indebtedness issued pursuant to this Section, and may by suit, action,  
28 mandamus, or other proceedings enforce and compel performance of all of the duties  
29 required to be performed by the governing body and officials of any borrower

1        hereunder and in any proceedings authorizing the issuance of such bonds or other  
2        evidences of indebtedness.

3        §2305. Authority of the department; incur debt; issue and undertake guarantees of  
4        debt of other entities

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

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

23           C. Withdrawals from the CWSRF to pay debt service on any bond, note, or  
24       other evidence of indebtedness, obligation of guarantee of any debt, or pledge to  
25       secure any debt does not constitute and shall not be subject to annual appropriation  
26       by the legislature as provided by Article III, Section 16 of the Constitution of  
27       Louisiana.

28           D. The department is hereby authorized to issue, execute, and deliver  
29       refunding bonds, notes, or other evidences of indebtedness for the purpose of

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 refunding, readjusting, restructuring, refinancing, extending, or unifying in whole or  
2 any part of its outstanding obligations, and the department is also authorized to issue  
3 short-term revenue notes for the purposes of anticipating any revenues to be received  
4 by the department in connection with the CWSRF.

5 §2306. Manner of authorizing, issuing, executing, and delivering debt or guarantees  
6 of debt of other entities

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

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

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

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

21          E. All executive orders of the secretary authorizing the issuance of bonds,  
22          notes, or other evidences of indebtedness of the department shall be published once  
23          in the official journal of the state. It shall not be necessary to publish exhibits to any  
24          such executive order, but such exhibits shall be made available for public inspection  
25          at the offices of the secretary of the department at reasonable times and such fact  
26          must be stated in the publication. For a period of thirty days after the date of such  
27          publication any persons in interest may contest the legality of the executive order and  
28          any provisions thereof made for the security and payment of any such bonds, notes,  
29          or other obligations, guarantees, or pledges. After such thirty-day period no one

1        shall have any cause or right of action to contest the regularity, formality, legality,  
2        or effectiveness of said executive order and the provisions thereof or of the bonds,  
3        notes, or other evidence of indebtedness authorized thereby or any guarantee or  
4        pledge authorized thereby for any cause whatsoever. If no suit, action, or proceeding  
5        is begun contesting the validity of the bonds, notes, or other obligations authorized  
6        pursuant to such executive order within the thirty days herein prescribed, the  
7        authority to issue the bonds, notes, or other obligations, to enter into the guarantee,  
8        or to make the pledge to provide for the payment thereof, and the legality thereof,  
9        and of all the provisions of the executive order shall be conclusively presumed and  
10       no court shall have authority or jurisdiction to inquire into any such matter.

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

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

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

23        §4548.13. Cooperation of state agencies

24        All state officers and agencies are authorized to render such services to the  
25        authority within their respective functions as may be requested by the authority. In  
26        addition, the authority is authorized to enter into such contracts, cooperative  
27        endeavor agreements, or other agreements with the Department of Environmental  
28        Quality with respect to the ~~Municipal Facilities Revolving Loan~~ Clean Water State  
29        Revolving Fund or any other state agency regarding other revolving loan funds as

1 the parties may desire in order to implement the provisions of this Chapter and  
2 Chapter ~~4~~ 14 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950.

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

4 §1022. Publication of resolution; contesting validity

5 \* \* \*

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

12 Section 4. R.S. 40:2821(B)(2) and 2824(B) are hereby amended and reenacted to  
13 read as follows:

14 §2821. Legislative findings

15 \* \* \*

16 B. The legislature finds and declares that:

17 \* \* \*

18 (2) The Department of Environmental Quality has, since 1989, been  
19 operating and maintaining the ~~Municipal Facilities Revolving Loan~~ Clean Water  
20 State Revolving Fund in accordance with the Federal Water Pollution Control Act  
21 (33 U.S.C. 1251 et seq.), commonly referred to as the Clean Water Act, to provide  
22 assistance to wastewater treatment facilities owned or operated by municipalities and  
23 other political subdivisions, and for other assistance allowed by such Act.

24 \* \* \*

25 §2824. Drinking Water Revolving Loan Fund

26 \* \* \*

27 B. The Department of Health and Hospitals, office of public health, shall  
28 segregate the funds associated with the drinking water loan fund as may be required  
29 by the federal act, grant agreements, or interagency agreements. The Department of

1 Health and Hospitals shall keep any accounts associated with the drinking water loan  
2 fund separate from any accounts associated with the ~~Municipal Facilities Revolving~~  
3 ~~Loan~~ Clean Water State Revolving Fund authorized in R.S. ~~30:2078~~ 30:2301 et seq.

4 \* \* \*

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

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

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DIGEST

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Champagne

HB No. 913

**Abstract:** Changes the name of the Municipal Facilities Revolving Loan Fund to the Clean Water State Revolving Fund and 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 La. 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, §6(C) of the La. 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 the department may enforce any covenant relating to indebtedness or any security for such indebtedness by suit, action, mandamus, or other appropriate proceedings.

Proposed law provides certain revenue bonds issued by a political subdivision and sold to 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; however, no prior approval shall be required of the contents of the notice of intention to issue the revenue bonds.

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

(Amends R.S. 30:2011(A)(3) and (D)(4) and (23), 2074(A)(4), 2397, R.S. 33:4548.13, and R.S. 40:2821(B)(2) and 2824(B); Adds R.S. 30:2301-2306 and R.S. 39:1022(C); Repeals R.S. 30:2078-2088)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill.

1. Made technical changes.