

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 CHAPTER 14. CLEAN WATER STATE REVOLVING FUND

20 §2301. Definitions

21 As used in this Chapter, the following terms shall have the following
 22 meaning:

23 (1) "Clean Water State Revolving Fund" or "CWSRF" means the water
 24 pollution control revolving loan fund previously established by Act No. 349 of the
 25 1986 Regular Session of the Legislature, as amended, and formerly known as the
 26 "Municipal Facilities Revolving Loan Fund".

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

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

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

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

11 §2302. Clean Water State Revolving Fund; established

12 A. The Clean Water State Revolving Fund is hereby established and shall be
13 maintained and operated by the department. Grants from the federal government
14 allotted to the state for the capitalization of the CWSRF, and state funds when
15 required, or otherwise made available, shall be deposited directly in or credited to the
16 account of the CWSRF in compliance with the terms of the federal or state grant.
17 The CWSRF shall provide assistance to eligible recipients for any activities of the
18 CWSRF as may be permitted by the federal act or federal regulations and by this
19 Chapter.

20 B. The department is authorized to enter into contracts and other agreements
21 in connection with the operation of the CWSRF, including but not limited to credit
22 enhancement devices, guarantees, pledges, interest rate swap agreements, contracts
23 and agreements with federal agencies, political subdivisions, public trusts, agencies
24 or commissions of the state, and other parties to the extent necessary or convenient
25 for the implementation of the CWSRF. The department shall maintain full authority
26 for the operation of the CWSRF in accordance with applicable federal and state law.

27 §2303. Clean Water State Revolving Fund; authorized activities

28 A. Money in or credited to the account of or to be received by the CWSRF,
29 including sums to be received pursuant to letters of credit or from any other source,

1 shall be expended, committed, or pledged, in a manner consistent with terms and
2 conditions of the grants and other sources of said deposits, credits, and letters of
3 credit, and of all applicable federal and state law and may be used:

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

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

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

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

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

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

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

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

23 (9) To secure principal, interest, and premium if any, on bonds or other
24 evidence of indebtedness issued by the department, or any agency, commission,
25 authority, or public corporation of the state, by any public trust or by any other entity
26 having the authority to issue debt for or on behalf of the state, or any political
27 subdivision of the state if the proceeds of such bonds are deposited in the CWSRF,
28 if the proceeds of such bonds are used to pay for a project approved by the
29 department, or if the proceeds of such bonds are used to refund any obligation the

1 proceeds of which are used to pay for an approved project to the extent provided and
2 allowed by the terms of the federal grant.

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

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

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

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

15 (14) To fund the administrative expenses of the department related to the
16 CWSRF.

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

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

23 §2304. Clean Water State Revolving Fund; political subdivisions and public trusts;
24 loans

25 A. Notwithstanding any provisions of law to the contrary, and in addition to
26 the authority to borrow money or incur debt under any other provisions of law, any
27 political subdivision or public trust is hereby authorized to borrow money from and
28 incur debt payable to the CWSRF in accordance with the provisions hereof and
29 subject to the approval of the State Bond Commission. This Section shall not be

1 deemed to be the exclusive authority under which political subdivisions or public
2 trusts may borrow money from or incur indebtedness to the CWSRF.

3 B. All bonds, notes, or other evidence of indebtedness of any political
4 subdivisions and public trusts issued to represent an obligation to repay a CWSRF
5 loan shall be authorized and issued pursuant to a resolution or ordinance of the
6 governing authority of such entity, which shall prescribe the form and details thereof,
7 including the terms, security for, manner of execution, repayment schedule, and
8 redemption features thereof and such resolution or ordinance may provide that an
9 officer of such entity may execute in connection with such obligation any related
10 contract, including but not limited to a credit enhancement device, indenture of trust,
11 loan agreement, pledge agreement, or other agreement or contract needed to
12 accomplish the purposes for which said indebtedness is given. Any such resolution
13 or ordinance shall set forth the maximum principal amount, the maximum interest
14 rate, the maximum redemption premium, if any, and the maximum term of such
15 indebtedness.

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

27 D. Any evidence of indebtedness authorized pursuant to the provisions of
28 this Chapter shall bear a rate or rates of interest that shall not exceed the rate or rates
29 set forth in the resolution or ordinance authorizing and providing for the issuance

1 thereof. Any such rate or rates of interest may be at fixed, variable, or adjustable
2 rates.

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

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

1 G. Bonds, notes, or other evidence of indebtedness of a political subdivision
2 issued under the authority of this Section shall be exempt from all taxation for state,
3 parish, municipal, or other purposes. Such bonds, notes, or other evidence of
4 indebtedness shall be legal and authorized investments for banks, savings banks,
5 insurance companies, any other financial institution, tutors of minors, curators of
6 interdicts, trustees, and other fiduciaries. Such bonds, notes, or other evidence of
7 indebtedness may be used for deposit with any officer, board, or political subdivision
8 of the state, in any case where, by present or future laws, deposit of security is
9 required for state funds.

10 H. The department may by suit, action, mandamus, or other proceedings,
11 protect and enforce any covenant relating to and the security provided in connection
12 with any indebtedness issued pursuant to this Section, and may by suit, action,
13 mandamus, or other proceedings enforce and compel performance of all of the duties
14 required to be performed by the governing body and officials of any borrower
15 hereunder and in any proceedings authorizing the issuance of such bonds or other
16 evidences of indebtedness.

17 §2305. Authority of the department; incur debt; issue and undertake guarantees of
18 debt of other entities

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

23 B. The department is further authorized to undertake and to issue and deliver
24 evidences of its guarantee of the debt of other entities and is authorized to enter and
25 execute pledges of the sums deposited in, credited to, or to be received in the
26 CWSRF, including payments pursuant to letters of credit, to secure the debt of other
27 entities. Such bonds, notes, or other evidences of indebtedness, such guarantees, and
28 such pledges issued and delivered pursuant to the authority hereof shall constitute
29 special and limited obligations of the department, and shall not be secured by the full

1 faith and credit of the state, any source of revenue of the state other than those sums
2 on deposit in, credited to, or to be received in the CWSRF, including payments to be
3 made pursuant to letters of credit. It is hereby found and determined that such bonds,
4 notes, or other evidences of indebtedness, guarantees, and pledges shall constitute
5 revenue bonds, debts, or obligations within the meaning of Article VII, Section 6(C)
6 of the Constitution of Louisiana and shall not constitute the incurring of state debt
7 thereunder.

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

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

19 §2306. Manner of authorizing, issuing, executing, and delivering debt or guarantees
20 of debt of other entities

21 A. All bonds, notes, or other evidences of indebtedness, guarantees of the
22 debt of other entities or pledges of assets to the payment of debts of other entities
23 shall be authorized and issued pursuant to an executive order issued by the secretary
24 of the department, and such executive order shall include a statement as to the
25 maximum principal amount of any such obligation, guarantee, or pledge, the
26 maximum interest rate to be incurred or borne by said obligation or guaranteed by
27 said obligation, the maximum redemption premium, if any, and the maximum term
28 in years for such evidence of indebtedness, obligation, guarantee, or pledge, and such
29 executive order shall prescribe the form, anticipated terms, security, manner of

1 execution, redemption features, and method of fixing the final details thereof. Such
 2 executive order may provide that the secretary or his designee shall execute in
 3 connection with any such obligation any other related contract, including but not
 4 limited to credit enhancement devices, indentures of trust, pledge agreements, loan
 5 agreements, or any other ancillary agreements or contracts needed to accomplish the
 6 purposes for which said evidence of indebtedness, guarantee, or pledge is given in
 7 substantially the form attached to said executive order but which final indenture,
 8 guarantee, pledge, or other contract or agreement may contain such changes,
 9 additions, and deletions as shall in the sole opinion of the designated officer of the
 10 department executing any such contract be determined to be appropriate under the
 11 circumstances. The bonds, notes, other evidences of indebtedness, and obligations
 12 issued under the provisions of this Section shall be subject to the general laws of the
 13 state regarding defeasance and fully registered securities of public entities.

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

19 C. Bonds, notes, or other evidences of indebtedness of the department shall
 20 be sold by the State Bond Commission at either public or private sale and may be
 21 sold at such price or prices, including premiums and discounts, as may be determined
 22 to be in the best interest of the department by the secretary, with the approval of the
 23 State Bond Commission. If any such evidences of indebtedness are to be sold at a
 24 public sale, a notice of the sale shall be published in accordance with the provisions
 25 of R.S. 39:1426 and shall be awarded to the best bidder therefor by the State Bond
 26 Commission, but the State Bond Commission may reject any and all bids received.

27 D. The department may, in connection with the sale of any bonds, notes, or
 28 other evidences of indebtedness, use municipal bond insurance, bank guarantees,
 29 surety bonds, letters of credit, interest rate swap agreements, and other devices to

1 enhance the credit quality of any such obligations, the cost of which may be paid
2 from the proceeds of the bonds, notes, or other evidences of indebtedness or other
3 lawfully available funds. Such credit enhancement devices may be entered into prior
4 to, at the time of, or subsequent to, the issuance of any such obligations.

5 E. All executive orders of the secretary authorizing the issuance of bonds,
6 notes, or other evidences of indebtedness of the department shall be published once
7 in the official journal of the state. It shall not be necessary to publish exhibits to any
8 such executive order, but such exhibits shall be made available for public inspection
9 at the offices of the secretary of the department at reasonable times and such fact
10 must be stated in the publication. For a period of thirty days after the date of such
11 publication any persons in interest may contest the legality of the executive order and
12 any provisions thereof made for the security and payment of any such bonds, notes,
13 or other obligations, guarantees, or pledges. After such thirty-day period no one
14 shall have any cause or right of action to contest the regularity, formality, legality,
15 or effectiveness of said executive order and the provisions thereof or of the bonds,
16 notes, or other evidence of indebtedness authorized thereby or any guarantee or
17 pledge authorized thereby for any cause whatsoever. If no suit, action, or proceeding
18 is begun contesting the validity of the bonds, notes, or other obligations authorized
19 pursuant to such executive order within the thirty days herein prescribed, the
20 authority to issue the bonds, notes, or other obligations, to enter into the guarantee,
21 or to make the pledge to provide for the payment thereof, and the legality thereof,
22 and of all the provisions of the executive order shall be conclusively presumed and
23 no court shall have authority or jurisdiction to inquire into any such matter.

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

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.

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 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 Dept. 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.

Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill.

1. Made technical changes.