

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1112*

Short Title: Clean Water Revolving Loan Amends.

(Public)

Sponsors: Senator Hoyle.

Referred to: Environment and Natural Resources.

May 11, 1993

A BILL TO BE ENTITLED

AN ACT TO AMEND THE NORTH CAROLINA CLEAN WATER REVOLVING
LOAN AND GRANT PROGRAM TO ALLOW MUNICIPALITIES TO PLEDGE
USER FEES OR ANY AVAILABLE SOURCES OF REVENUES FOR THE
PAYMENT OF REVOLVING FUNDS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159G-9 reads as rewritten:

"§ 159G-9. Eligibility.

No application shall be eligible for a revolving loan or grant under this Chapter unless it shall demonstrate to the satisfaction of the receiving agency that:

- (1) The applicant is a local government unit.
- (2) The applicant has the financial capacity to pay the principal of and the interest on its proposed obligations and loans.
- (3) The applicant has substantially complied or will substantially comply with all applicable laws, rules, regulations and ordinances, federal, State and local.
- (4) The applicant has agreed by official resolution to adopt and place into effect on or before completion of the project a schedule of ~~fees and charges~~ fees, charges, and other available funds, including but not limited to the funds described in G.S. 159G-13(b), which will provide adequate funds that will adequately provide for proper operation, maintenance, and administration of the project, project and for repayment of all principal of and interest on loans."

Sec 2. G.S. 159G-17 reads as rewritten:

1 **"§ 159G-17. Annual reports to Joint Legislative Commission on Governmental**
2 **Operations.**

3 (a) The Department of Environment, Health, and Natural Resources, the Division
4 of Environmental Health, and the Environmental Management Commission shall
5 prepare and file on or before July 31 of each year with the Joint Legislative Commission
6 on Governmental Operations a consolidated report for the preceding fiscal year
7 concerning the allocation of revolving loans and grants authorized by this Chapter.

8 (b) The portion of the report prepared by the Department of Environment,
9 Health, and Natural Resources shall set forth for the preceding fiscal year itemized and
10 total allocations from the Wastewater Accounts of revolving loans and grants authorized
11 by the Environmental Management Commission; and itemized and total allocations
12 from the Water Supply Accounts of revolving loans and grants authorized by the
13 Division of Environmental Health. The Department of Environment, Health, and
14 Natural Resources shall also prepare a summary report of all allocations made from the
15 Clean Water Revolving Loan and Grant Fund for each of the previous five fiscal year;
16 years; the total funds received and allocations made; and unallocated funds on hand in
17 each account as of the end of the preceding fiscal year.

18 (c) Environmental Management Commission and Division of Environmental
19 Health. – The portions of the report prepared by the Environmental Management
20 Commission and the Division of Environmental Health shall include:

- 21 (1) Identification of each revolving loan and grant made by the receiving
22 agency during the preceding fiscal year; the total amount of the
23 revolving loan and grant commitments; the sums actually paid during
24 the preceding fiscal year to each revolving loan and grant made and to
25 each revolving loan and grant previously committed but unpaid; and
26 the total revolving loan and grant funds paid during the preceding
27 fiscal year.
- 28 (2) Repealed by Session Laws 1991, c. 186, s. 9.
- 29 (3) ~~Summarization~~ A summary for all the preceding five years of the total
30 number of revolving loans and grants made; the total funds committed
31 to such revolving loans and grants; and the total sum actually paid to
32 such revolving loans and grants.
- 33 (4) Assessment and evaluation of the effects that approved projects have
34 had upon water pollution control and water supplies within the
35 purposes of this Chapter and with relation to the total water pollution
36 control and water supply problem.

37 (d) The report shall be signed by each of the chief executive officers of the State
38 agencies preparing the report."

39 Sec. 3. G.S. 159G-18 reads as rewritten:

40 **"§ 159G-18. Local government borrowing authority.**

41 (a) Local government units may execute debt instruments payable to the State in
42 order to obtain revolving loans provided for in this Chapter. Local government units
43 shall pledge as security for such obligations the user fee revenues derived from
44 operation of the benefited facilities or systems only, or other sources of revenue, or their

1 faith and credit, or ~~both~~ any combination thereof. The faith and credit of such local
2 government units shall not be pledged or be deemed to have been pledged unless the
3 requirements of Article 4, Chapter 159 of the General Statutes have been met. The
4 State Treasurer, with the assistance of the Local Government Commission, shall
5 develop and adopt appropriate debt instruments for use under this Chapter. The Local
6 Government Commission shall develop and adopt appropriate procedures for the
7 delivery of debt instruments to the State without any public bidding therefor.

8 (b) The Local Government Commission shall review and approve proposed loans
9 to applicants under this Chapter under the provisions of Articles 4 and 5, Chapter 159 of
10 the General Statutes, as if the issuance of bonds was proposed, so far as those provisions
11 are applicable. Revolving loans under this Chapter shall be outstanding debt for the
12 purpose of Article 10, Chapter 159 of the General Statutes."

13 Sec. 4. This act is effective upon ratification.