

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S

3

SENATE BILL 1381

Agriculture/Environment/Natural Resources Committee Substitute Adopted 6/13/00
Third Edition Engrossed 6/19/00

Short Title: Reallocate Water Bond Funds.

(Public)

Sponsors:

Referred to:

May 23, 2000

A BILL TO BE ENTITLED

AN ACT TO REALLOCATE THE PROCEEDS OF THE CLEAN WATER BONDS.

The General Assembly of North Carolina enacts:

Section 1. Withdrawal of Loan Funds. – Pursuant to Section 5.1(i) of S.L. 1998-132, the following amounts of the Clean Water Bond proceeds allocated for loans in Section 5.1(h) of S.L. 1998-132 are withdrawn from allocation under Section 5.1(h) of S.L. 1998-132 and reallocated as provided in Section 2 of this act:

(1) Water supply and distribution systems and water conservation projects:

a. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating \$ 3,500,000

b. Reserved for loans to local government units whose bond rating is 75 or more \$ 90,600,000.

(2) Wastewater collection systems and wastewater treatment works:

a. Reserved for loans to local government units whose bond

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

1 rating is less than 75 or
2 who have no bond rating \$ 7,100,000

3 b. Reserved for loans to local
4 government units whose bond
5 rating is 75 or more \$ 98,800,000

6 Total Withdrawn for Reallocation \$200,000,000.

7 Section 2.(a) Reallocation for High-Unit Cost Grants. – Of the funds
8 withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of S.L.
9 1998-132, the sum of one hundred forty-six million dollars (\$146,000,000) shall be used
10 by the Department of Environment and Natural Resources to provide grants to local
11 government units for the same purpose and in accordance with Section 5.1(c) of S.L.
12 1998-132 and shall be allocated for this purpose as follows:

13 (1) High-Unit Cost Wastewater Account:

14 a. Reserved for grants to local
15 government units whose bond
16 rating is less than 75 or who
17 have no bond rating \$ 37,960,000

18 b. Reserved for grants to local
19 government units whose bond
20 rating is 75 or greater \$ 35,040,000.

21 (2) High-Unit Cost Water Supply Account:

22 a. Reserved for grants to local
23 government units whose bond
24 rating is less than 75 or who
25 have no bond rating \$ 37,960,000

26 b. Reserved for grants to local
27 government units whose bond
28 rating is 75 or greater \$ 35,040,000

29 Total Reallocated for Grants

30 Under Section 5.1(c) \$146,000,000.

31 Section 2.(b) Reallocation for Unsewered Community Grants. – Of the funds
32 withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of S.L.
33 1998-132, the sum of twenty-five million nine hundred twenty thousand dollars
34 (\$25,920,000) is reallocated to be used to provide unsewered community grants to
35 eligible local government units to assist with wastewater treatment works and wastewater
36 collection systems for the same purpose and in accordance with Section 5.1(g) of S.L.
37 1998-132. Grants from amounts reallocated shall be awarded and administered by the
38 Rural Economic Development Center in accordance with Section 5.1(g) of S.L. 1998-
39 132. The funds reallocated under this section shall be awarded on the criteria set out in
40 Section 5.1(g) of S.L. 1998-132.

41 Section 2.(c) Reallocation for Supplemental and Capacity Grants. – Of the
42 funds withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of
43 S.L. 1998-132, the sum of twenty-eight million eighty thousand dollars (\$28,080,000) is

1 reallocated to be used to provide supplemental and capacity grants to eligible local
2 government units to match federal, State, and other grant or loan program funds to plan
3 or improve needed water and sewer projects. Grants from amounts reallocated shall be
4 awarded and administered by the Rural Economic Development Center in accordance
5 with Section 5.1(f) of S.L. 1998-132 and this section. The proceeds reallocated under
6 this section shall be allocated between supplemental grants and capacity grants as
7 follows:

8 (1) Supplemental Grants.....\$22,460,000

9 (2) Capacity Grants.....\$ 5,620,000

10 The funds reallocated under this section shall be awarded on the criteria set out in Section
11 5.1(f) of S.L. 1998-132.

12 Notwithstanding the provisions of Section 5.1(f) of S.L. 1998-132, a maximum
13 of twelve million dollars (\$12,000,000) of supplemental grant funds and a maximum of
14 three million dollars (\$3,000,000) of capacity grant funds may be certified by the Rural
15 Economic Development Center to the State Treasurer each fiscal year through June 30,
16 2005, and the State Treasurer may issue the amount certified up to fifteen million dollars
17 (\$15,000,000) each fiscal year through June 30, 2005. Upon certification for the fiscal
18 year ending June 30, 2005, the State Treasurer may issue the remaining balance of the
19 funds allocated under Section 5.1(f) of S.L. 1998-132 and under this section for any
20 purpose authorized under Section 5.1(f) of S.L. 1998-132.

21 Section 3. G.S. 159G-6(a) reads as rewritten:

22 "(a) Revolving loans and grants.

23 (1) All funds appropriated or accruing to the Clean Water Revolving Loan
24 and Grant Fund, other than funds set aside for administrative expenses,
25 shall be used for revolving loans and grants to applicants for
26 construction costs of wastewater treatment works, wastewater collection
27 systems and water supply systems and other assistance as provided in
28 this Chapter.

29 (2) The maximum principal amount of a revolving loan or a grant may be
30 one hundred percent (100%) of the nonfederal share of the construction
31 costs of any eligible project. The maximum principal amount of
32 revolving loans made to any one applicant during any fiscal year shall
33 be eight million dollars (\$8,000,000).

34 (2a) The maximum principal amount of grants made to any applicant ~~during~~
35 ~~any fiscal year~~ over a period of three fiscal years shall be three million
36 dollars (\$3,000,000). The Department of Environment and Natural
37 Resources may limit the maximum principal amount of the grant to two
38 million dollars (\$2,000,000) or two-thirds of the eligible project cost,
39 whichever is less, when the bond rating of the local government unit
40 equals or is greater than 75 during any fiscal year and when one million
41 dollars (\$1,000,000) or one-third of the eligible project cost, whichever
42 is less, is available to the local government unit as a loan from any
43 source.

1 (3) The State Treasurer shall be responsible for investing and distributing
2 all funds appropriated or accruing to the Clean Water Revolving Loan
3 and Grant Fund for revolving loans and grants under this Chapter. In
4 fulfilling his responsibilities under this section, the State Treasurer shall
5 make a written request to the Department of Environment and Natural
6 Resources to arrange for the appropriated funds to be (i) transferred
7 from the appropriate accounts to an applicant to provide funds for one
8 or more revolving loans or grants or (ii) invested as authorized by this
9 Chapter with the interest on and the principal of such investments to be
10 transferred to the applicant to provide funds for one or more revolving
11 loans or grants."

12 Section 4. Sections 1, 2, and 4 of this act become effective July 1, 2000.
13 Section 3 of this act is effective retroactively to July 1, 1999, and applies to grants made
14 on or after the date this act becomes law.