

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**SENATE BILL 1381**

Short Title: Reallocate Water Bond Funds.

(Public)

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Sponsors: Senators Kerr; Ballance, Dannelly, Hoyle, Metcalf, Perdue, Purcell, and Soles.

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Referred to: Agriculture/Environment/Natural Resources.

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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. Pursuant to Section 5.1(i) of S.L. 1998-132, the sum of \*\* dollars (\*\*\*) of the Clean Water Bond proceeds allocated for loans for wastewater collection systems and wastewater treatment works under Section 5.1(h)(1) of S.L. 1998-132 is reallocated to be used by the Department of Environment and Natural Resources to provide grants to local government units for the same purposes and in accordance with the provisions of the Clean Water Revolving Loan and Grant Act for funds in the High-Unit Cost Wastewater Account. Amounts reallocated shall be administered by the Department of Environment and Natural Resources in accordance with Section 5.1(c)(1) of S.L. 1998-132. The funds reallocated under this section shall be divided equally between the amounts reserved in the High-Unit Cost Wastewater Account for units of local government whose bond rating is less than 75 or who have no bond rating and those whose bond rating is 75 or greater.

Section 2. Pursuant to Section 5.1(i) of S.L. 1998-132, the sum of \*\* dollars (\*\*\*) of the Clean Water Bond proceeds allocated for loans for water supply and distribution systems and water conservation projects under Section 5.1(h)(2) of S.L. 1998-132 is reallocated to be used by the Department of Environment and Natural Resources to provide grants to local government units for the same purposes and in

1 accordance with the provisions of the Clean Water Revolving Loan and Grant Act for  
2 funds in the High-Unit Cost Water Supply Account. Amounts reallocated shall be  
3 administered by the Department of Environment and Natural Resources in accordance  
4 with Section 5.1(c)(2) of S.L. 1998-132. The funds reallocated under this section shall be  
5 divided equally between the amounts reserved in the High-Unit Cost Water Supply  
6 Account for units of local government whose bond rating is less than 75 or who have no  
7 bond rating and those whose bond rating is 75 or greater.

8 Section 3. Pursuant to Section 5.1(i) of S.L. 1998-132, the sum of \*\* dollars  
9 (\$\*\*) of the Clean Water Bond proceeds allocated for loans for water supply and  
10 distribution systems and water conservation projects under Section 5.1(h)(2) of S.L.  
11 1998-132 is reallocated to be used to provide unsewered community grants to eligible  
12 local government units to assist with wastewater treatment works and wastewater  
13 collection systems. Grants from amounts reallocated shall be awarded and administered  
14 by the Rural Economic Development Center in accordance with Section 5.1(g) of S.L.  
15 1998-132. The funds reallocated under this section shall be awarded on the criteria set  
16 out in Section 5.1(g) of S.L. 1998-132.

17 Section 4. G.S. 159G-6(a) reads as rewritten:

18 "(a) Revolving loans and grants.

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

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

30 (2a) The maximum principal amount of grants made to any applicant ~~during~~  
31 ~~any fiscal year~~ over a period of three fiscal years shall be three million  
32 dollars (\$3,000,000). The Department of Environment and Natural  
33 Resources may limit the maximum principal amount of the grant to two  
34 million dollars (\$2,000,000) or two-thirds of the eligible project cost,  
35 whichever is less, when the bond rating of the local government unit  
36 equals or is greater than 75 during any fiscal year and when one million  
37 dollars (\$1,000,000) or one-third of the eligible project cost, whichever  
38 is less, is available to the local government unit as a loan from any  
39 source.

40 (3) The State Treasurer shall be responsible for investing and distributing  
41 all funds appropriated or accruing to the Clean Water Revolving Loan  
42 and Grant Fund for revolving loans and grants under this Chapter. In  
43 fulfilling his responsibilities under this section, the State Treasurer shall

1                   make a written request to the Department of Environment and Natural  
2                   Resources to arrange for the appropriated funds to be (i) transferred  
3                   from the appropriate accounts to an applicant to provide funds for one  
4                   or more revolving loans or grants or (ii) invested as authorized by this  
5                   Chapter with the interest on and the principal of such investments to be  
6                   transferred to the applicant to provide funds for one or more revolving  
7                   loans or grants."

8                   Section 5. This act becomes effective July 1, 2000. Section 4 of this act  
9                   applies only to grants funded on or after that date.