

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1381

Agriculture/Environment/Natural Resources Committee Substitute Adopted 6/13/00

Third Edition Engrossed 6/19/00

House Committee Substitute Favorable 7/6/00

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the following amounts of the Clean Water Bond proceeds allocated for loans in Section 5.1(h) of S.L. 1998-132 are withdrawn from allocation under Section 5.1(h) of S.L. 1998-132 and reallocated as provided in Section 2 of this act: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

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1 government units whose bond
2 rating is less than 75 or
3 who have no bond rating \$ 7,100,000
4 b. Reserved for loans to local
5 government units whose bond
6 rating is 75 or more \$ 98,800,000
7 Total Withdrawn for Reallocation \$200,000,000.

8 Section 2.(a) Reallocation for High-Unit Cost Grants. – Of the funds
9 withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of S.L.
10 1998-132, the sum of one hundred forty-six million dollars (\$146,000,000) shall be used
11 by the Department of Environment and Natural Resources to provide grants to local
12 government units for the same purpose and in accordance with Section 5.1(c) of S.L.
13 1998-132 and shall be allocated for this purpose as follows:

14 (1) High-Unit Cost Wastewater Account:
15 a. Reserved for grants to local
16 government units whose bond
17 rating is less than 75 or who
18 have no bond rating \$ 37,960,000
19 b. Reserved for grants to local
20 government units whose bond
21 rating is 75 or greater \$ 35,040,000.
22 (2) High-Unit Cost Water Supply Account:
23 a. Reserved for grants to local
24 government units whose bond
25 rating is less than 75 or who
26 have no bond rating \$ 37,960,000
27 b. Reserved for grants to local
28 government units whose bond
29 rating is 75 or greater \$ 35,040,000

30 Total Reallocated for Grants
31 Under Section 5.1(c) \$146,000,000.

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33 withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of S.L.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

42 Section 2.(c) Reallocation for Supplemental and Capacity Grants. – Of the
43 funds withdrawn pursuant to Section 1 of this act from allocation under Section 5.1(h) of

1 S.L. 1998-132, the sum of twenty-eight million eighty thousand dollars (\$28,080,000) is
2 reallocated to be used to provide supplemental and capacity grants to eligible local
3 government units to match federal, State, and other grant or loan program funds to plan
4 or improve needed water and sewer projects. Grants from amounts reallocated shall be
5 awarded and administered by the Rural Economic Development Center in accordance
6 with Section 5.1(f) of S.L. 1998-132 and this section. The proceeds reallocated under
7 this section shall be allocated between supplemental grants and capacity grants as
8 follows:

- 9 (1) Supplemental Grants.....\$22,460,000
10 (2) Capacity Grants.....\$ 5,620,000

11 The funds reallocated under this section shall be awarded on the criteria set out in Section
12 5.1(f) of S.L. 1998-132.

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

22 Section 2.1.(a) Notwithstanding any other provision of law, the Department of
23 Environment and Natural Resources and the Rural Economic Development Center, Inc.,
24 shall each assure that the total dollar amount of loans and grants from the proceeds of the
25 Clean Water Bonds awarded by each during the 2000-2001 fiscal year shall be distributed
26 geographically as follows: at least thirty percent (30%) shall be awarded to applicants in
27 the Western region of the State, at least thirty percent (30%) shall be awarded to
28 applicants in the Eastern region of the State, and at least thirty percent (30%) shall be
29 awarded to applicants in the Central region of the State. Bond proceeds allocated to the
30 Department of Environment and Natural Resources on a geographical basis shall also be
31 divided equally within those regions between local government units whose bond rating
32 is less than 75 or who have no bond rating and those whose bond rating is 75 or more.

33 Section 2.1.(b) For purposes of this section, the Eastern, Central, and Western
34 regions of the State are defined as follows:

- 35 (1) The Eastern region includes the following counties and the local
36 government units within those counties:
37 Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan,
38 Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe,
39 Gates, Greene, Halifax, Hertford, Hyde, Johnston, Jones, Lenoir,
40 Martin, Nash, New Hanover, Northampton, Onslow, Pamlico,
41 Pasquotank, Pender, Perquimans, Pitt, Sampson, Tyrell, Warren,
42 Washington, Wayne, and Wilson.

1 (2) The Central region includes the following counties and the local
2 government units within those counties:

3 Alamance, Anson, Cabarrus, Caswell, Chatham, Davidson, Davie,
4 Durham, Forsyth, Granville, Guilford, Harnett, Hoke, Iredell, Lee,
5 Mecklenburg, Montgomery, Moore, Orange, Person, Randolph,
6 Richmond, Robeson, Rockingham, Rowan, Scotland, Stanly, Stokes,
7 Surry, Union, Vance, Wake, and Yadkin.

8 (3) The Western region includes the following counties and the local
9 government units within those counties:

10 Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell,
11 Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood,
12 Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell,
13 Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes, and Yancey.

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

15 "(a) Revolving loans and grants.

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

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

27 (2a) The maximum principal amount of grants made to any applicant ~~during~~
28 ~~any fiscal year over a period of three fiscal years~~ shall be three million
29 dollars (\$3,000,000). The Department of Environment and Natural
30 Resources may limit the maximum principal amount of ~~the a grant under~~
31 this subdivision to two million dollars (\$2,000,000) or two-thirds of the
32 eligible project cost, whichever is less, when the bond rating of the local
33 government unit equals or is greater than 75 during any fiscal year and
34 when one million dollars (\$1,000,000) or one-third of the eligible
35 project cost, whichever is less, is available to the local government unit
36 as a loan from any source.

37 (2b) Notwithstanding G.S. 159G-6(a)(2a), the maximum principal amount of
38 grants made to any applicant for a high-unit cost water supply system
39 under G.S. 159G-6(c)(2) during any fiscal year shall be three million
40 dollars (\$3,000,000) if the applicant is either: (i) a water district that
41 includes three or more local government units, or (ii) a local
42 government unit that supplies water to less than fifty percent (50%) of
43 the population of the local government unit.

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 August 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.