

§6006-B. Safe drinking water revolving loan fund

1. Establishment; administration. A safe drinking water revolving loan fund is established as provided in this section.

A. There is established in the custody of the bank a special fund to be known as the safe drinking water revolving loan fund to provide financial assistance under subsection 2 for the acquisition, design, planning, construction, enlargement, repair, protection or improvement of drinking water supplies or treatment facilities including any of those actions required under the federal Safe Drinking Water Act of 1996, 42 United States Code, Sections 300f to 300j-9, supplement 1997, as amended, hereinafter referred to as the federal Safe Drinking Water Act of 1996. [PL 1997, c. 705, §15 (AMD).]

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section and section 5953-B. The fund consists of the following:

- (1) Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;
- (2) Principal and interest received from the repayment of loans made from the fund;
- (3) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;
- (4) Interest earned from the investment of fund balances;
- (5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund is established;
- (7) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and
- (8) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 2023, c. 608, §4 (AMD).]

C. For the purposes of this section, the term "public water system" is the same as defined in Title 22, section 2601, subsection 8 and "community water system" and "noncommunity water system" are the same as defined in Title 22, section 2660-B. [PL 1997, c. 705, §16 (RPR).]

[PL 2023, c. 608, §4 (AMD).]

2. Uses. The revolving loan fund may be used for one or more of the following purposes:

A. To make loans to public water systems under this section and section 5953-B; [PL 1997, c. 705, §17 (AMD).]

B. To make loans to a municipality, an intermunicipal or interstate agency or other eligible participant as specified in the federal Safe Drinking Water Act of 1996 to buy or refinance bonds or notes issued after July 1, 1993 for the purpose of financing the construction of any capital improvement or management program described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a public water system for the purpose of financing the construction of any capital improvement described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]

- D. To guarantee or insure, directly or indirectly, funds established by public water systems for the purpose of financing construction of any capital improvement described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]
- E. To invest available fund balances and to credit the net interest income on those balances to the revolving loan fund; [PL 1991, c. 605, §14 (NEW).]
- F. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund or loaned to eligible participants in the programs financed with the fund, or as a source of revenue to subsidize municipal loan payment obligations; [PL 1991, c. 605, §14 (NEW).]
- G. To pay the costs of the bank and the Department of Human Services associated with the administration of the revolving loan fund and projects financed by it, as long as such costs are paid from a separate, dedicated and identifiable administrative account into which not more than 4% or such greater amount as may be permitted under federal law as part of the federal Safe Drinking Water Act of 1996 of each capitalization grant allotment provided by the Federal Government, and other amounts, must be deposited; [PL 1997, c. 705, §17 (AMD).]
- H. To pay the costs required, authorized or funded under the federal Safe Drinking Water Act of 1996, regarding the treatment of drinking water or other federal law or program that provides money for deposit to the fund for the purposes of this section; and [PL 1997, c. 705, §17 (AMD).]
- I. To provide training and technical assistance to public water systems serving a population of 10,000 or fewer through the statewide rural water association. The statewide rural water association may use an amount equal to 1% of the federal capitalization grant. Training and technical assistance must be consistent with the annual Department of Health and Human Services public water system supervision, or "PWSS," work plan. [PL 1995, c. 665, Pt. II, §2 (NEW); PL 1995, c. 665, Pt. II, §3 (AFF); PL 2003, c. 689, Pt. B, §6 (REV).]
[PL 1997, c. 705, §17 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the fund as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.
[PL 1991, c. 605, §14 (NEW).]

4. Priorities for financial assistance. At least annually, the Department of Health and Human Services shall prepare and certify to the bank a project priority list of those community and nonprofit noncommunity public water system projects eligible for financing or assistance under this section. The factors to be considered in developing the priority list must include, but are not limited to:

- A. Projects that address serious risk to human health; [PL 1997, c. 705, §18 (NEW).]
- B. Projects necessary to ensure compliance with the federal Safe Drinking Water Act of 1996; [PL 1997, c. 705, §18 (NEW).]
- C. Projects to assist public water systems in need on a per household basis according to the State's affordability criteria; and [PL 1997, c. 705, §18 (NEW).]
- D. Projects that meet factors used in developing the priority list and that are prepared to proceed to construction. [PL 1997, c. 705, §18 (NEW).]
[PL 1997, c. 705, §18 (NEW); PL 2003, c. 689, Pt. B, §6 (REV).]

5. Eligibility for financial assistance. Financial assistance for a project may not be granted under this section until the Department of Health and Human Services has certified to the bank that the project is eligible for immediate financing under this section and is on the priority list under subsection 4.

[PL 1997, c. 705, §18 (NEW); PL 2003, c. 689, Pt. B, §6 (REV).]

SECTION HISTORY

PL 1991, c. 605, §14 (NEW). PL 1995, c. 665, §§II1,2 (AMD). PL 1995, c. 665, §II3 (AFF). PL 1997, c. 705, §§15-18 (AMD). PL 2003, c. 689, §B6 (REV). PL 2023, c. 608, §4 (AMD).

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