

HOUSE BILL 73

M3

01r0064

(PRE-FILED)

By: **Chair, Environmental Matters Committee (By Request – Departmental – Environment)**

Requested: October 8, 2009

Introduced and read first time: January 13, 2010

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Water Quality Revolving Loan Fund – Use of Funds**

3 FOR the purpose of authorizing the use of the Maryland Water Quality Revolving
4 Loan Fund to provide assistance in the form of forgiveness of principal or other
5 forms of financial assistance, as authorized or required by federal law; and
6 generally relating to the use of revolving loan funds in the Department of the
7 Environment.

8 BY repealing and reenacting, without amendments,
9 Article – Environment
10 Section 9–1605(a)(1)
11 Annotated Code of Maryland
12 (2007 Replacement Volume and 2009 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Environment
15 Section 9–1605(d)
16 Annotated Code of Maryland
17 (2007 Replacement Volume and 2009 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Environment**

21 9–1605.

22 (a) (1) There is a Maryland Water Quality Revolving Loan Fund. The
23 Water Quality Fund shall be maintained and administered by the Administration in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 accordance with the provisions of this subtitle and such rules or program directives as
2 the Secretary or the Board may from time to time prescribe.

3 (d) Amounts in the Water Quality Fund may be used only:

4 (1) To make loans, on the condition that:

5 (i) The loans are made at or below market interest rates,
6 including interest free loans, at terms not to exceed 20 years;

7 (ii) Annual principal and interest payments will commence not
8 later than 1 year after completion of any wastewater facility and all loans will be fully
9 amortized not later than 20 years after project completion;

10 (iii) The local government borrower will establish a dedicated
11 source of revenue for repayment of loans;

12 (iv) In the case of a wastewater facility owned by a borrower
13 other than a local government, the borrower will provide adequate security for
14 repayment of loans; and

15 (v) The Water Quality Fund will be credited with all payments
16 of principal and interest on all loans;

17 (2) To buy or refinance debt obligations of local governments at or
18 below market rates, if such debt obligations were incurred after March 7, 1985;

19 (3) To guarantee, or purchase insurance for, bonds, notes, or other
20 evidences of obligation issued by a local government for the purpose of financing all or
21 a portion of the cost of a wastewater facility, if such action would improve credit
22 market access or reduce interest rates;

23 (4) As a source of revenue or security for the payment of principal and
24 interest on bonds issued by the Administration if the proceeds of the sale of such bonds
25 will be deposited in the Water Quality Fund;

26 (5) To earn interest on Water Quality Fund accounts;

27 (6) To establish a linked deposit program to promote loans for
28 controlling nonpoint sources of pollution and protecting the quality of the waters of the
29 State;

30 (7) For the reasonable costs of administering the Water Quality Fund
31 and conducting activities under Title VI of the Federal Water Pollution Control Act;

32 (8) For any other purpose authorized by Title VI of the Federal Water
33 Pollution Control Act or § 302 of the federal Safe Drinking Water Act; and

1 (9) To provide financial assistance in the form of grants, negative
2 interest loans, forgiveness of principal, subsidized interest rates, and any other form of
3 financial assistance as authorized or required by [the]:

4 **(I) THE American Recovery and Reinvestment Act of 2009, as**
5 **may be amended and supplemented;**

6 **(II) TITLE VI OF THE FEDERAL WATER POLLUTION**
7 **CONTROL ACT;**

8 **(III) § 302 OF THE FEDERAL SAFE DRINKING WATER ACT;**
9 **OR**

10 **(IV) FEDERAL APPROPRIATIONS OR AUTHORIZATION ACTS.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2010.