

§6006-A. Revolving loan fund

1. Establishment; administration. A 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 revolving loan fund, that must be used for the following purposes:

- (1) To provide loans to municipalities for acquiring, designing, planning, constructing, enlarging, repairing or improving publicly owned sewage systems and sewage treatment plants as provided in Title 38, section 411 and for implementing related management programs;
- (2) For remediation of municipal landfills that affect groundwater; or
- (3) For any actions authorized under the federal Clean Water Act, 33 United States Code, Sections 1251 to 1387. [PL 1995, c. 564, §2 (RPR).]

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

- (1) Such sums as may be 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 United States for any of the purposes for which the fund has been established. These amounts shall 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 has been established;
- (6) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and
- (7) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 1989, c. 48, §§27, 31 (NEW).]

[PL 1995, c. 564, §2 (AMD).]

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

A. To make loans to municipalities under this section and section 5953-A; [PL 1989, c. 48, §§27, 31 (NEW).]

B. To make loans to refund bonds or notes of a municipality issued after March 7, 1985 for the purpose of financing the construction of any capital improvement or management program described in section 5953-A, subsection 1 and certified under section 5953-A, subsection 3; [PL 1989, c. 48, §§27, 31 (NEW).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a municipality for the purpose of financing the construction of any capital improvement or management program described in section 5953-A, subsection 1 and certified under section 5953-A, subsection 3; [PL 1989, c. 48, §§27, 31 (NEW).]

D. To guarantee or insure, directly or indirectly, funds established by municipalities for the purpose of financing construction of any capital improvement described in section 5953-A, subsection 1; [PL 1989, c. 48, §§27, 31 (NEW).]

E. To invest available fund balances and to credit the net interest income on those balances to the revolving loan fund; [PL 1989, c. 48, §§27, 31 (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 as a source of revenue to subsidize municipal loan payment obligations; [PL 1989, c. 48, §§27, 31 (NEW).]

G. To pay the costs of the bank and the Department of Environmental Protection staff associated with the administration of the revolving loan fund and projects financed by it; provided that no more than the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4% of any capitalization grants provided by the United States for deposit in the revolving loan fund shall be used for these purposes; and [PL 1989, c. 48, §§27, 31 (NEW).]

H. To pay the costs required under the Federal Water Pollution Control Act, Title VI. [PL 1989, c. 48, §§27, 31 (NEW).]
[PL 1989, c. 48, §§27, 31 (NEW).]

3. Priorities for financial assistance. Periodically, and at least annually, the Department of Environmental Protection shall prepare and certify to the bank a project priority list of those municipalities whose publicly owned projects are eligible for financing or assistance under this section. The factors to be considered in developing the priority list shall include, but are not limited to:

A. Water supply protection; [PL 1989, c. 48, §§27, 31 (NEW).]

B. Shellfishery protection; [PL 1989, c. 48, §§27, 31 (NEW).]

C. Nuisance conditions; [PL 1989, c. 48, §§27, 31 (NEW).]

D. Fisheries protection; [PL 1989, c. 48, §§27, 31 (NEW).]

E. Facility needs, including the availability of, or likely development of, cost-effective privately owned facilities or services to meet the municipal need; and [PL 1995, c. 564, §3 (AMD).]

F. Median household income. [PL 1989, c. 48, §§27, 31 (NEW).]
[PL 1995, c. 564, §3 (AMD).]

4. Eligibility for financial assistance. No financial assistance for a project may be granted under this section until the Department of Environmental Protection certifies to the bank that the project is eligible for immediate financing under this section and is on the priority list prepared under subsection 3.

[PL 1989, c. 48, §§27, 31 (NEW).]

5. Establishment of accounts. The bank may establish accounts and subaccounts within the revolving 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 revolving loan fund as security for bonds issued by the bank for deposit in the revolving loan fund and to be invested for the benefit of specified projects receiving financial assistance from the revolving loan fund.

[PL 1989, c. 48, §§27, 31 (NEW).]

SECTION HISTORY

PL 1989, c. 48, §§27,31 (NEW). PL 1995, c. 564, §§2,3 (AMD).

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