

1 SB68
2 215378-1
3 By Senator Allen
4 RFD: Governmental Affairs
5 First Read: 11-JAN-22

SYNOPSIS: Under existing law, a local governing body may receive a loan from the Alabama Water Pollution Control Authority to provide for construction expenses of a wastewater treatment facility. The loan must be repaid within 20 years after completion of construction.

This bill would allow the repayment period on a loan to be extended for a period of time consistent with federal law, provided the repayment period does not exceed the expected design life of the project.

A BILL
TO BE ENTITLED
AN ACT

Relating to construction of wastewater treatment facilities; to amend Section 22-34-11, Code of Alabama 1975; to extend the loan payback period for a loan by the Alabama Water Pollution Control Authority to a local governing body to

1 finance construction expenses of a wastewater treatment
2 facility in certain circumstances.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 22-34-11, Code of Alabama 1975,
5 is amended to read as follows:

6 "§22-34-11.

7 "(a) In order to provide for the funding of the loan
8 by the authority for a project to ~~the~~ a public body, ~~such the~~
9 public body shall establish a dedicated source of revenue to
10 repay the ~~moneys~~ monies received from the authority and to
11 provide for operation, maintenance, and equipment replacement
12 expenses. ~~Such Notwithstanding any state law to the contrary,~~
13 ~~a public body is hereby authorized and empowered, any existing~~
14 ~~statute to the contrary notwithstanding, to may do and perform~~
15 ~~any one or more~~ all of the following:

16 "(1) ~~To obligate~~ Obligate itself to pay to the
17 authority at periodic intervals a sum sufficient to provide
18 bond debt service with respect to the bonds of the authority
19 issued to fund the loan for such project and to pay over such
20 debt service to the account of the project for deposit to the
21 revolving loan fund~~7.~~.

22 "(2) ~~To levy~~ Levy, collect, and pay over to the
23 authority and ~~to~~ obligate itself to continue to levy, collect, and
24 and pay over to the authority the proceeds of any ~~one or more~~
25 of the following:

26 "a. ~~Any~~ A sewer or waste disposal service fee or
27 charge~~7.~~.

1 "b. ~~Any licenses~~ Licenses, permits, taxes, and
2 fees.

3 "c. ~~Any~~ A special assessment on the property
4 drained, served, or benefitted by the project, and.

5 "d. Other revenue available to the public body.

6 "(3) ~~To undertake~~ Undertake and obligate itself to
7 pay its contractual obligation to the authority solely from
8 the proceeds from any one or more of the sources specified in
9 subdivision (2) ~~above~~, or ~~to~~ impose upon itself a general
10 obligation pledge to the authority additionally secured by a
11 pledge of any one or more of such sources.

12 "(4) ~~To obligate~~ Obligate itself to ~~continue to~~ levy
13 and collect ~~such~~ revenues, fees, and charges ~~as shall equal in~~
14 an amount of not less than 110 percent nor more than 125
15 percent, as determined by the authority, of the maximum
16 principal and interest maturing and coming due in any one year
17 on the bonds issued by the authority to fund a loan for the
18 project, and.

19 "(5) ~~To enter~~ Enter into ~~such~~ agreements, ~~to~~ perform
20 ~~such~~ acts, and ~~to~~ delegate ~~such~~ functions and duties as its
21 governing body ~~shall determine to be~~ determines is necessary
22 or desirable to enable the authority to fund a loan to the
23 public body to aid it in the construction or acquisition of a
24 project.

25 "(b) In the event of default, the authority may
26 ~~utilize~~ use all available remedies under state law.

1 "~~All loans~~ Any loan made by the authority shall
2 provide that repayment of ~~such loans~~ the loan shall begin not
3 later ~~then~~ than one year after completion of construction of
4 the project for which ~~such~~ the loan was made and shall be
5 repaid in full no later than 20 years after completion of ~~such~~
6 construction; provided, however, the repayment period may be
7 extended as required or permitted under the Federal Clean
8 Water Act, provided the extended repayment period does not
9 exceed the expected design life of the project.

10 "(d) The recipients of loans shall maintain project
11 accounts in accordance with generally accepted government
12 accounting standards."

13 Section 2. This act shall become effective
14 immediately following its passage and approval by the
15 Governor, or its otherwise becoming law.