

Enrolled
House Bill 2451

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of Environmental Quality)

CHAPTER

AN ACT

Relating to Water Pollution Control Revolving Fund; amending ORS 468.429 and 468.440.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 468.429 is amended to read:

468.429. (1) The Department of Environmental Quality shall use the moneys in the Water Pollution Control Revolving Fund to provide financial assistance:

- (a) To public agencies for the construction or replacement of treatment works.
- (b) For the implementation of a management program established under section 319 of the federal Water Quality Act of 1986 relating to the management of nonpoint sources of pollution.
- (c) For development and implementation of a conservation and management plan under section 320 of the federal Water Quality Act of 1986 relating to the national estuary program.

(2) The department may also use the moneys in the Water Pollution Control Revolving Fund for the following purposes:

(a) To buy or refinance the [*treatment works*] debt obligations of public agencies **for eligible projects as listed under subsection (1) of this section**, if [*such debt*] **the debt obligation** was incurred after March 7, 1985.

(b) To guarantee, or purchase insurance for, public agency obligations for treatment works' construction or replacement if the guarantee or insurance would improve credit market access or reduce interest rates, or to provide loans to a public agency for this purpose.

(c) To pay the expenses of the department in administering the Water Pollution Control Revolving Fund, to make transfers to the Water Pollution Control Administration Fund, or to pay other departmental costs including expenses of the program described in ORS 468.433 (2).

(3) If amounts are advanced to the Water Pollution Control Revolving Fund from the Pollution Control Fund under ORS 468.220 (1), the department shall transfer from the Water Pollution Control Revolving Fund to the Pollution Control Sinking Fund amounts sufficient to pay the bonds that funded the advance.

SECTION 2. ORS 468.440 is amended to read:

468.440. (1) The Environmental Quality Commission shall establish by rule policies for establishing loan terms and interest rates for loans made from the Water Pollution Control Revolving Fund that ensure that the objectives of ORS 468.423 to 468.440 are met and that adequate funds are maintained in the Water Pollution Control Revolving Fund to meet future needs. In establishing the policy, the commission shall take into consideration at least the following factors:

- (a) The capability of the project to enhance or protect water quality.
- (b) The ability of a public agency to repay a loan.

- (c) Current market rates of interest.
 - (d) The size of the community or district to be served by the treatment works.
 - (e) The type of project financed.
 - (f) The ability of the applicant to borrow elsewhere.
 - (g) Whether advances have been made to the Water Pollution Control Revolving Fund from the Pollution Control Fund that must be repaid to the Pollution Control Sinking Fund.
- (2) The commission may establish an interest rate ranging from zero to the market rate. The commission may establish the loan term, provided that the loans must be fully amortized not later than [20] **30** years after project completion.
- (3) The commission shall adopt by rule any procedures or standards necessary to carry out the provisions of ORS 468.423 to 468.440.

Passed by House June 10, 2015

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 Timothy G. Sekerak, Chief Clerk of House

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 Tina Kotek, Speaker of House

Passed by Senate June 18, 2015

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 Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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 Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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 Jeanne P. Atkins, Secretary of State