

# SENATE BILL No. 192

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 13-18.

**Synopsis:** Revolving loan funds. Designates the budget agency to manage and administer all aspects of the wastewater and drinking water financial assistance programs, and directs the budget agency to designate the department of environmental management (IDEM) to manage and administer environmental aspects of the programs. Amends certain aspects of the administration of the programs by the budget agency. Voids certain rules relating to the programs. Repeals certain joint administrative responsibilities of the budget agency and IDEM with respect to the programs.

**Effective:** July 1, 2002.

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January 7, 2002, read first time and referred to Committee on Environmental Affairs.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

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**SENATE BILL No. 192**



A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 13-18-13-5.5 IS ADDED TO THE INDIANA
- 2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 2002]: **Sec. 5.5. (a) Except as provided in**
- 4 **subsection (b), the budget agency shall manage and administer all**
- 5 **aspects of the program.**
- 6 **(b) The budget agency shall designate environmental aspects of**
- 7 **the program to be managed and administered by the department.**
- 8 **When the budget agency makes a designation under this**
- 9 **subsection, the budget agency shall direct the department in**
- 10 **writing to manage and administer the designated environmental**
- 11 **aspects of the program.**
- 12 **(c) The budget agency shall fix a budget for the environmental**
- 13 **aspects of the program to be:**
- 14 **(1) managed and administered by the department under**
- 15 **subsection (b); and**
- 16 **(2) funded from:**
- 17 **(A) the fund; or**



1           **(B) a capitalization grant made by the United States**  
 2           **Environmental Protection Agency for the benefit of the**  
 3           **program.**

4           SECTION 2. IC 13-18-13-8 IS AMENDED TO READ AS  
 5           FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) The ~~department~~  
 6           ~~and the~~ budget agency may:

7           (1) provide services to a political subdivision in connection with  
 8           a loan or other financial assistance, including advisory and other  
 9           services; and

10          (2) charge a fee for services provided.

11          (b) The ~~department and the~~ budget agency may charge a fee for  
 12          costs and services incurred in the review or consideration of an  
 13          application for a proposed loan or other financial assistance to or for  
 14          the benefit of a political subdivision under this chapter, regardless of  
 15          whether the application is approved or rejected.

16          (c) A political subdivision may pay fees charged under this section.

17          SECTION 3. IC 13-18-13-9 IS AMENDED TO READ AS  
 18          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) The ~~department~~  
 19          **budget agency** shall use a priority ranking system to recommend loans  
 20          or other financial assistance from the fund. The ~~department~~ **budget**  
 21          **agency** shall develop the priority ranking system to achieve optimum  
 22          water quality consistent with the water quality goals of the state and the  
 23          federal Clean Water Act.

24          (b) Based on the recommendations made under subsection (a), **and**  
 25          **subject to any bypass procedures implemented by the budget**  
 26          **agency to render program assistance efficiently**, the budget agency  
 27          may make loans and provide other financial assistance from the fund  
 28          to or for the benefit of political subdivisions.

29          SECTION 4. IC 13-18-13-10 IS AMENDED TO READ AS  
 30          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. **(a)** The budget  
 31          agency may make loans or provide other financial assistance from the  
 32          fund to or for the benefit of a political subdivision under the following  
 33          conditions:

34          (1) The loan or other financial assistance must be used:

35           (A) for planning, designing, constructing, renovating,  
 36           improving, or expanding wastewater collection and treatment  
 37           systems and other activities necessary or convenient to  
 38           complete these tasks;

39           (B) to:

40           (i) establish reserves or sinking funds; or

41           (ii) provide interest subsidies;

42           (C) to pay financing charges, including interest on the loan or

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1 other financial assistance during construction and for a  
 2 reasonable period after the completion of construction; or

3 (D) to pay the following:

4 (i) Consultant, advisory, and legal fees.

5 (ii) Any other costs or expenses necessary or incident to the  
 6 loan, other financial assistance, or the administration of the  
 7 fund and the program.

8 (2) Subject to section 15 of this chapter, upon recommendation of  
 9 the budget agency the state board of finance shall establish the  
 10 interest rate or parameters for establishing the interest rate on  
 11 each loan, including parameters for establishing the amount of  
 12 interest subsidies.

13 (3) The budget agency shall establish the terms and conditions  
 14 that the budget agency considers necessary or convenient to:

15 (A) make loans; or

16 (B) provide other financial assistance under this chapter.

17 **(b) The budget agency is not required to establish uniform**  
 18 **terms and conditions applicable to all loans or other financial**  
 19 **assistance under this chapter. Differences in the terms and**  
 20 **conditions may be based on:**

21 **(1) credit;**

22 **(2) loan structure;**

23 **(3) capital access; or**

24 **(4) other factors the budget agency considers relevant.**

25 SECTION 5. IC 13-18-13-11 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. A loan or other  
 27 financial assistance from the fund must be accompanied by the  
 28 following:

29 (1) All papers and opinions required by the budget agency.

30 (2) Unless otherwise provided by rule, the following:

31 (A) An approving opinion of nationally recognized bond  
 32 counsel **if required by the budget agency.**

33 (B) A certification and guarantee of signatures.

34 (C) A certification that, as of the date of the loan or other  
 35 financial assistance:

36 (i) no litigation is pending challenging the validity of or  
 37 entry into the loan or other financial assistance or any  
 38 security for the loan or other financial assistance; or

39 (ii) if litigation is pending, the litigation will not have a  
 40 material adverse effect on the validity of the loan or other  
 41 financial assistance or any security for the loan or other  
 42 financial assistance.



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(D) If litigation is pending, as an alternative to the certification described in clause (C), an opinion of legal counsel that the litigation will not have a material adverse effect on the validity of the loan or other financial assistance.

SECTION 6. IC 13-18-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) In recommending to the state board of finance the interest rate or parameters for establishing the interest rate on each loan, as provided in section 10 of this chapter, the budget agency shall recommend and the state board of finance shall establish the following:

- (1) A base or subsidized interest rate that:
    - (A) would be payable by political subdivisions other than political subdivisions described in subdivision (2) or (3); and
    - (B) may provide for the payment of no interest during all or a part of the estimated construction period for the wastewater treatment system.
  - (2) A base reduced or more heavily subsidized interest rate, that:
    - (A) would be payable by political subdivisions whose median household incomes are:
      - (i) not more than the state nonmetropolitan median household income, as determined and reported by the federal government periodically; and
      - (ii) not less than eighty-one percent (81%) of the state nonmetropolitan median household income; and
    - (B) may provide for the payment of no interest during all or a part of the estimated construction period for the wastewater collection and treatment system.
  - (3) A base zero (0) or most heavily subsidized interest rate that:
    - (A) would be payable on loans made to political subdivisions whose median household incomes are not more than eighty percent (80%) of the state nonmetropolitan household income; and
    - (B) may provide for the payment of no interest during all or a part of the estimated construction period of the wastewater collection and treatment system.
- (b) The budget agency, in recommending to the state board of finance the interest rate or parameters for establishing the interest rate on each loan under section 10 of this chapter, shall take into account the following:
- (1) Credit risk.
  - (2) Environmental enforcement and protection.
  - (3) Affordability.

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1 (4) Other fiscal factors the budget agency considers relevant,  
2 **including:**

3 (A) the program's cost of funds; and

4 (B) whether the financial assistance provided to a  
5 particular political subdivision is taxable or tax exempt  
6 under federal law.

7 **Based on the factors set forth in subdivisions (1) through (4), more**  
8 **than one (1) interest rate may be established and used for loans**  
9 **made to different political subdivisions in the same interest rate**  
10 **category.**

11 (c) In enacting this section, the general assembly understands that,  
12 in financing the program, the Indiana bond bank issued at the budget  
13 agency's request, and will continue to issue at the budget agency's  
14 request:

15 (1) revenue bonds payable from and secured by political  
16 subdivisions; and

17 (2) loan payments made by and loan payments made to political  
18 subdivisions.

19 It is not the intent of the general assembly to cause the budget agency  
20 or the state board of finance to establish interest rates on loans or  
21 parameters for establishing interest rates that would cause the bond  
22 bank's revenue bonds to be insecure or otherwise negatively affect the  
23 ability of the state to continue to finance the program.

24 SECTION 7. IC 13-18-13-16 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 16. The budget agency  
26 shall require ~~that~~ a political subdivision ~~receiving that owns or~~  
27 **operates a wastewater collection and treatment system and that**  
28 **receives** a loan or other financial assistance under this chapter **to**  
29 establish under applicable statute and maintain sufficient user charges  
30 or other charges, fees, taxes, special assessments, or revenues available  
31 to the political subdivision to:

32 (1) operate and maintain the wastewater collection and treatment  
33 system; and

34 (2) pay the obligations of the system.

35 SECTION 8. IC 13-18-13-18 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 18. (a) The ~~water~~  
37 ~~pollution control board and the~~ budget agency may ~~jointly~~ adopt rules  
38 under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to  
39 implement this chapter.

40 (b) **All rules adopted by the board to implement this chapter are**  
41 **void. The publisher of the Indiana Administrative Code shall**  
42 **remove these rules from the Indiana Administrative Code.**

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1           **(c) All rules adopted by the budget agency before July 1, 2002,**  
 2 **to implement this chapter are void to the extent that the rules**  
 3 **designate the department to manage or administer any aspect of**  
 4 **the program.**

5           SECTION 9. IC 13-18-13-19 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. (a) Notwithstanding  
 7 any other law, a political subdivision may borrow money from the  
 8 budget agency by negotiating a loan or other financial assistance  
 9 directly and without complying with requirements for the competitive  
 10 sale of bonds, notes, or other obligations or evidences of indebtedness.  
 11 A political subdivision shall observe any **applicable** existing  
 12 contractual commitments to bondholders or other persons when  
 13 entering into a financial assistance agreement.

14           (b) Notwithstanding any other law, a political subdivision may issue  
 15 and sell its notes, the principal and accrued interest on which shall be  
 16 paid with proceeds from the issuance of its bonds or other available  
 17 money at the time the notes are due. The notes must be issued pursuant  
 18 to a resolution or ordinance and the proceeds must be used to carry out  
 19 the purposes specified in this chapter.

20           (c) A political subdivision that issues notes under subsection (b) or  
 21 IC 4-23-21-13 (before its repeal) may renew or extend the notes  
 22 periodically on terms agreed to with the budget agency, and the budget  
 23 agency may purchase and sell the renewed or extended notes. Accrued  
 24 interest on the date of renewal or extension may be paid or added to the  
 25 principal amount of the note being renewed or extended.

26           (d) The notes issued by a political subdivision under subsection (b),  
 27 including any renewals or extensions, must mature:

28           (1) in the amounts; and

29           (2) at the times not exceeding four (4) years from the date of  
 30 original issuance;

31 that are agreed to by the political subdivision and the budget agency.

32           (e) Compliance with subsection (b) constitutes full authority for a  
 33 political subdivision to issue its notes and sell the notes ~~to the~~  
 34 ~~department and the budget agency;~~ **for the benefit of the program,**  
 35 and the political subdivision is not required to comply with any other  
 36 law applicable to the authorization, approval, issuance, and sale of its  
 37 notes. These notes are:

38           (1) valid and binding obligations of the political subdivision;

39           (2) enforceable in accordance with the terms of the notes; and

40           (3) payable solely from the sources specified in the resolution or  
 41 ordinance authorizing the issuance of the notes.

42           (f) If the political subdivision issues bonds, all or part of the

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1 proceeds of which will be used to pay the notes issued under subsection  
2 (b), neither:

3 (1) the provisions of this section; nor

4 (2) the actual issuance by a political subdivision of notes under  
5 subsection (b);

6 relieves the political subdivision of the obligation to comply with the  
7 statutory requirements for the issuance of bonds.

8 SECTION 10. IC 13-18-21-3, AS AMENDED BY P.L.132-1999,  
9 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2002]: Sec. 3. (a) Money in the fund may be used to do the  
11 following:

12 (1) Provide loans or other financial assistance to participants for  
13 the:

14 (A) planning;

15 (B) designing;

16 (C) construction;

17 (D) renovation;

18 (E) improvement;

19 (F) expansion; or

20 (G) any combination of clauses (A) through (F);

21 for public water systems that will facilitate compliance with  
22 national primary drinking water regulations applicable to public  
23 water systems under the federal Safe Drinking Water Act (42  
24 U.S.C. 300f et seq.) or otherwise significantly further the health  
25 protection objectives of the federal Safe Drinking Water Act (42  
26 U.S.C. 300f et seq.) and other activities necessary or convenient  
27 to complete these tasks.

28 (2) Except as provided in the federal Safe Drinking Water Act (42  
29 U.S.C. 300f et seq.), pay the cost of administering the fund and  
30 the program.

31 (3) Conduct all other activities that are allowed by the federal  
32 Safe Drinking Water Act (42 U.S.C. 300f et seq.).

33 (b) Notwithstanding section 2(g) of this chapter, if an adequate state  
34 match is available, the ~~department and the~~ budget agency ~~shall~~ **may**  
35 use **not more than** two percent (2%) of the funds allotted to the state  
36 under 42 U.S.C. 300j-12 to provide technical assistance to participants  
37 for public water systems serving not more than ten thousand (10,000)  
38 persons in Indiana. The ~~department and the~~ budget agency may ~~jointly~~  
39 contract with a person or persons to provide the technical assistance.  
40 Funds used under this subsection may not be used for enforcement  
41 actions.

42 (c) To the extent ~~permitted by this chapter,~~ **required by the federal**

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1 **Safe Drinking Water Act (42 U.S.C. 300f et seq.), and subject to**  
 2 **any banking for technical assistance in prior state fiscal years**  
 3 **permitted under that act,** fifteen percent (15%) of the amount  
 4 credited to the fund in a state fiscal year shall be available solely for  
 5 providing loan assistance to participants for public water systems  
 6 regularly serving less than ten thousand (10,000) persons in Indiana ~~to~~  
 7 ~~the extent that the money can be obligated~~ for eligible projects under  
 8 ~~the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.):~~  
 9 **program.**

10 (d) To avoid the loss of money allotted to the state under 42 U.S.C.  
 11 300j-12 et seq., the ~~budget agency and the department state~~ shall  
 12 develop and implement a strategy to assist participants in acquiring and  
 13 maintaining technical, managerial, and financial capacity as  
 14 contemplated by 42 U.S.C. 300g-9. This is all the legal authority  
 15 required by the state for the budget agency ~~and the department~~ to  
 16 ensure that all new community water systems and new nontransient,  
 17 noncommunity water systems, as contemplated by the federal Safe  
 18 Drinking Water Act (42 U.S.C. 300f et seq.), commencing operations  
 19 after October 1, 1999, demonstrate technical, managerial, and financial  
 20 capacity with respect to each federal primary drinking water regulation  
 21 in effect on the date operations commence. ~~The department has primary~~  
 22 ~~responsibility to carry out this subsection.~~

23 (e) This chapter does not require the budget agency to provide a  
 24 loan or other financial assistance to any participant that would cause  
 25 any bonds or other obligations issued to finance the program to lose  
 26 their exemption from federal income taxation.

27 SECTION 11. IC 13-18-21-4 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. ~~The department and~~  
 29 ~~the budget agency~~ shall administer and manage the fund and program  
 30 in accordance with this chapter.

31 SECTION 12. IC 13-18-21-5.5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2002]: **Sec. 5.5. (a) Except as provided in**  
 34 **subsection (b), the budget agency shall manage and administer all**  
 35 **aspects of the program.**

36 **(b) The budget agency shall designate environmental aspects of**  
 37 **the program to be managed and administered by the department.**  
 38 **When the budget agency makes a designation under this**  
 39 **subsection, the budget agency shall direct the department in**  
 40 **writing to manage and administer the designated environmental**  
 41 **aspects of the program.**

42 **(c) The budget agency shall fix a budget for the environmental**

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1 aspects of the program to be:

2 (1) managed and administered by the department under  
3 subsection (b); and

4 (2) funded from:

5 (A) the fund; or

6 (B) a capitalization grant made by the United States  
7 Environmental Protection Agency for the benefit of the  
8 program.

9 SECTION 13. IC 13-18-21-8, AS AMENDED BY P.L.132-1999,  
10 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2002]: Sec. 8. (a) The ~~department and the~~ budget agency may:

12 (1) provide services to a participant in connection with a loan or  
13 other financial assistance, including advisory and other services;  
14 and

15 (2) charge a fee for services provided.

16 (b) The ~~department and the~~ budget agency may charge a fee for  
17 costs and services incurred in the review or consideration of an  
18 application for a proposed loan or other financial assistance under this  
19 chapter to or for the benefit of a participant, regardless of whether the  
20 application is approved or rejected.

21 (c) A political subdivision may pay fees charged under this section.

22 SECTION 14. IC 13-18-21-9, AS AMENDED BY P.L.132-1999,  
23 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2002]: Sec. 9. (a) The ~~department~~ **budget agency** shall use a  
25 priority ranking system to recommend loans or other financial  
26 assistance from the fund. The ~~department~~ **budget agency** shall develop  
27 the priority ranking system consistent with federal primary drinking  
28 water regulations and health protection objectives of the federal Safe  
29 Drinking Water Act (42 U.S.C. 300f et seq.).

30 (b) Based on the recommendations made under subsection (a), **and**  
31 **subject to any bypass procedures implemented by the budget**  
32 **agency to render program assistance efficiently**, the budget agency  
33 may make loans and provide other financial assistance from the fund  
34 to or for the benefit of participants.

35 SECTION 15. IC 13-18-21-18 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 18. (a) The ~~water~~  
37 ~~pollution control board and the~~ budget agency may ~~jointly~~ adopt rules  
38 under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to  
39 implement this chapter.

40 (b) **All rules adopted by the board to implement this chapter are**  
41 **void. The publisher of the Indiana Administrative Code shall**  
42 **remove these rules from the Indiana Administrative Code.**

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1           **(c) All rules adopted by the budget agency before July 1, 2002,**  
 2 **to implement this chapter are void to the extent that the rules**  
 3 **designate the department to manage or administer any aspect of**  
 4 **the program.**

5           SECTION 16. IC 13-18-21-19 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. (a) Notwithstanding  
 7 any other law, a political subdivision may borrow money under this  
 8 chapter by negotiating a loan or other financial assistance directly and  
 9 without complying with requirements for the competitive sale of bonds,  
 10 notes, or other obligations or evidences of indebtedness. A political  
 11 subdivision shall observe any existing contractual commitments to  
 12 bondholders or other persons when entering into a financial assistance  
 13 agreement.

14           (b) Notwithstanding any other law, a political subdivision may issue  
 15 and sell notes, the principal and accrued interest on which shall be paid  
 16 with proceeds from the issuance of bonds or other available money at  
 17 the time the notes are due. The notes must be issued under a resolution  
 18 or ordinance and the proceeds must be used to carry out the purposes  
 19 specified in this chapter.

20           (c) A political subdivision that issues notes under subsection (b)  
 21 may renew or extend the notes periodically on terms agreed to with the  
 22 budget agency, and the budget agency may purchase and sell the  
 23 renewed or extended notes. Accrued interest on the date of renewal or  
 24 extension may be paid or added to the principal amount of the note  
 25 being renewed or extended.

26           (d) The notes issued by a political subdivision under subsection (b),  
 27 including any renewals or extensions, must mature:

28           (1) in the amounts; and

29           (2) at the times not exceeding four (4) years from the date of  
 30 original issuance;

31 that are agreed to by the political subdivision and the budget agency.

32           (e) Compliance with subsection (b) constitutes full authority for a  
 33 political subdivision to issue notes and sell the notes ~~to the department~~  
 34 ~~and the budget agency;~~ **for the benefit of the program,** and the  
 35 political subdivision is not required to comply with any other law  
 36 applicable to the authorization, approval, issuance, and sale of the  
 37 notes. The notes are:

38           (1) valid and binding obligations of the political subdivision;

39           (2) enforceable in accordance with the terms of the notes; and

40           (3) payable solely from the sources specified in the resolution or  
 41 ordinance authorizing the issuance of the notes.

42           (f) If the political subdivision issues bonds, all or part of the

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1 proceeds of which will be used to pay notes issued under subsection  
2 (b), the:

- 3 (1) provisions of this section; or  
4 (2) actual issuance by a political subdivision of notes under  
5 subsection (b);

6 do not relieve the political subdivision of the obligation to comply with  
7 the statutory requirements for the issuance of bonds.

8 SECTION 17. IC 13-18-21-25, AS AMENDED BY P.L.55-2001,  
9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2002]: Sec. 25. (a) The budget agency may make grants or  
11 loans or provide other financial assistance from the supplemental fund  
12 for the benefit of a participant under the following conditions:

- 13 (1) A grant, loan, or other financial assistance may be used:  
14 (A) for planning, designing, acquiring, constructing,  
15 renovating, improving, or expanding public water systems, and  
16 other activities necessary or convenient to complete these  
17 tasks;  
18 (B) to:  
19 (i) establish reserves or sinking funds; or  
20 (ii) provide interest subsidies;  
21 (C) to pay financing charges, including interest on the loan  
22 during construction and for a reasonable period after the  
23 completion of construction; or  
24 (D) to pay the following:  
25 (i) Consultant, advisory, and legal fees.  
26 (ii) Other costs or expenses necessary or incident to the  
27 grant, loan, or other financial assistance or the  
28 administration of the supplemental fund or the supplemental  
29 program.

- 30 (2) The budget agency must establish the terms and conditions  
31 that the budget agency considers necessary or convenient to make  
32 grants or loans or provide other financial assistance under this  
33 chapter.

34 (b) In addition to its powers under subsection (a), the budget agency  
35 may also make grants or loans or provide other financial assistance  
36 from the supplemental fund to or for the benefit of a political  
37 subdivision under the following conditions:

- 38 (1) A grant, loan, or other financial assistance may be used:  
39 (A) for planning, designing, acquiring, constructing,  
40 renovating, improving, or expanding wastewater or storm  
41 water collection and treatment systems, and other activities  
42 necessary or convenient to complete these tasks;

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- 1 (B) to:
- 2 (i) establish reserves or sinking funds; or
- 3 (ii) provide interest subsidies;
- 4 (C) to pay financing charges, including interest on the loan
- 5 during construction and for a reasonable period after the
- 6 completion of construction; or
- 7 (D) to pay the following:
- 8 (i) Consultant, advisory, and legal fees.
- 9 (ii) Other costs or expenses necessary or incident to the
- 10 grant, loan, or other financial assistance or the
- 11 administration of the supplemental fund or the supplemental
- 12 program.
- 13 (2) A grant may be used for tasks associated with the
- 14 development and preparation of:
- 15 (A) long term control plans;
- 16 (B) use attainability analyses; and
- 17 (C) storm water management programs.
- 18 (3) The budget agency must establish the terms and conditions
- 19 that the budget agency considers necessary or convenient to make
- 20 grants or loans or provide other financial assistance under this
- 21 chapter.
- 22 **(c) The budget agency is not required to establish uniform terms**
- 23 **and conditions applicable to all loans or other financial assistance**
- 24 **under this section. Differences in the terms and conditions may be**
- 25 **based on:**
- 26 **(1) credit;**
- 27 **(2) loan structure;**
- 28 **(3) capital access; or**
- 29 **(4) other factors the budget agency considers relevant.**
- 30 SECTION 18. THE FOLLOWING ARE REPEALED [EFFECTIVE
- 31 JULY 1, 2002]: IC 13-18-13-4; IC 13-18-13-5; IC 13-18-13-6;
- 32 IC 13-18-21-5; IC 13-18-21-6.

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