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HOUSE BILL 1130

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO ENVIRONMENTAL IMPROVEMENT; ENACTING THE LIQUID WASTE REVOLVING LOAN FUND ACT; PROVIDING FOR LOANS TO LOW-INCOME HOUSEHOLDS FOR EXPENSES RELATED TO INSTALLATION OF ON-SITE LIQUID WASTE TREATMENT AND DISPOSAL SYSTEMS; CREATING THE LIQUID WASTE REVOLVING LOAN FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Environmental Improvement Act is enacted to read:

"[NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Liquid Waste Revolving Loan Fund Act"."

Section 2. A new section of the Environmental Improvement Act is enacted to read:

"[NEW MATERIAL] DEFINITIONS.--As used in the Liquid Waste Revolving Loan Fund Act:

.165811.1

underscored material = new  
[bracketed material] = delete

underscoring material = new  
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1           A. "department" means the department of  
2 environment;

3           B. "fund" means the liquid waste revolving loan  
4 fund; and

5           C. "indigent recipient" means an owner of an owner-  
6 occupied single-family dwelling, an owner-occupied single-  
7 family dwelling with a guest house or an owner-occupied duplex  
8 whose household income does not exceed two hundred fifty  
9 percent of the federal poverty level."

10           Section 3. A new section of the Environmental Improvement  
11 Act is enacted to read:

12           "[NEW MATERIAL] LIQUID WASTE REVOLVING LOAN FUND CREATED--  
13 ADMINISTRATION.--

14           A. The "liquid waste revolving loan fund" is  
15 created in the state treasury. The fund consists of  
16 appropriations, gifts, grants, donations and bequests to the  
17 fund. Money in the fund shall not revert or be transferred to  
18 any other fund at the end of a fiscal year, and income from  
19 investment of the fund shall be credited to the fund. The  
20 department shall administer the fund, and money in the fund is  
21 appropriated to the department for the purposes of the Liquid  
22 Waste Revolving Loan Fund Act. Administrative costs of the  
23 fund shall be paid by the department until interest revenues in  
24 the fund are sufficient to cover administrative costs, at which  
25 time administrative costs may be paid from the fund.

.165811.1

underscored material = new  
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1 Expenditures from the fund for loans to indigent recipients  
2 shall be made on warrant of the secretary of finance and  
3 administration on vouchers signed by the secretary of  
4 environment.

5 B. Money in the fund shall be used to provide low-  
6 interest, long-term loans to indigent recipients for:

7 (1) permitting, site evaluation, design,  
8 purchase and installation costs of a new on-site liquid waste  
9 treatment and disposal system; and

10 (2) up to two years of maintenance, operation  
11 and any required testing of the on-site liquid waste treatment  
12 and disposal system.

13 C. The department shall not establish minimum  
14 credit qualifications for indigent recipients as a condition  
15 for receiving a loan. Loans from the fund shall be made by the  
16 department for a term not to exceed forty years, with an annual  
17 interest rate equal to the prime rate as published in the Wall  
18 Street Journal on the date of the loan. During the term of the  
19 loan, the department shall reduce the interest rate of the loan  
20 by:

21 (1) one percentage point below the prime rate  
22 if the household income of a recipient of the loan decreases to  
23 no less than one hundred fifty percent but no more than two  
24 hundred percent of the federal poverty level;

25 (2) two percentage points below the prime rate

.165811.1

underscored material = new  
[bracketed material] = delete

1 if the household income of an indigent recipient of the loan  
2 decreases to no less than one hundred percent but no more than  
3 one hundred fifty percent of the federal poverty level; or

4 (3) three percentage points below the prime  
5 rate if the household income of an indigent recipient of the  
6 loan decreases to less than one hundred percent of the federal  
7 poverty level.

8 D. A loan shall be repaid in equal annual  
9 installments, with the first annual installment due one  
10 calendar year from the date on which the loan is issued.  
11 Expenditures from the fund shall be supported by loan documents  
12 evidencing the intent of the borrower to repay the loan.

13 E. The department, in conjunction with the New  
14 Mexico finance authority, shall promulgate rules necessary for  
15 the administration of the liquid waste revolving loan fund,  
16 including the application procedure and requirements for  
17 disbursing loans."

18 Section 4. APPROPRIATION.--Five million dollars  
19 (\$5,000,000) is appropriated from the general fund to the  
20 department of environment for expenditure in fiscal year 2008  
21 and subsequent fiscal years to carry out the provisions of the  
22 Liquid Waste Revolving Loan Fund Act. Any unexpended or  
23 unencumbered balance remaining at the end of a fiscal year  
24 shall not revert to the general fund.

25 .165811.1