

SENATE BILL 177

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1998 Regular Session
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By: **The President (Administration) and Senators Fry, Middleton, Ruben,
and Van Hollen**

Introduced and read first time: January 23, 1998
Assigned to: Economic and Environmental Affairs
Re-referred to: Economic and Environmental Affairs and Budget and Taxation,
January 30, 1998
Re-referred to: Budget and Taxation, January 30, 1998

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 23, 1998

CHAPTER _____

1 AN ACT concerning

2 **Environment - Linked Deposit - Use in Maryland Water Quality Revolving**
3 **Loan Fund Program**

4 FOR the purpose of authorizing the Water Quality Financing Administration to, in
5 cooperation with the Treasurer, establish a certain Linked Deposit Program;
6 defining certain terms; establishing an application process for linked deposit
7 loans; requiring the Administration to make certain certifications regarding the
8 eligibility of certain borrowers; requiring the Administration and a lender to
9 enter into certain agreements under certain circumstances; providing that a
10 linked deposit loan is not a debt of the State or a pledge of the credit of the State;
11 and generally relating to the Water Quality Revolving Loan Fund Program and
12 a Linked Deposit Program.

13 BY repealing and reenacting, with amendments,
14 Article - Environment
15 Section 9-1601, 9-1605, and 9-1605.1
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1997 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article - Environment
20 Section 9-1606
21 Annotated Code of Maryland

1 (1996 Replacement Volume and 1997 Supplement)

2 BY adding to

3 Article - Environment

4 Section 9-1606.1

5 Annotated Code of Maryland

6 (1996 Replacement Volume and 1997 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Environment**

10 9-1601.

11 (a) Unless the context clearly requires otherwise, in this subtitle the following
12 words have the meanings indicated.

13 (b) "Administration" means the Maryland Water Quality Financing
14 Administration.

15 (c) "Board" means the Board of Public Works.

16 (d) "Bond" means a bond, note, or other evidence of obligation of the
17 Administration issued under this subtitle, including a bond or revenue anticipation
18 note, notes in the nature of commercial paper, and refunding bonds.

19 (e) "Bond resolution" means the resolution or resolutions of the Director,
20 including the trust agreement, if any, authorizing the issuance of and providing for
21 the terms and conditions applicable to bonds.

22 (f) "Borrower" means a local government or a person as defined in § 1-101(h)
23 of this article who has received a loan.

24 (g) "Director" means the Director of the Administration.

25 (h) "Drinking Water Loan Fund" means the Maryland Drinking Water
26 Revolving Loan Fund.

27 (i) "Facility" means a wastewater facility or all or a portion of a water supply
28 system as defined in § 9-201(u) of this article.

29 (j) "Federal Safe Drinking Water Act" means Title XIV of the Public Health
30 Service Act, P.L. 93-523, as amended, 42 U.S.C. § 300F, et seq., and the rules and
31 regulations promulgated thereunder.

32 (k) "Federal Water Pollution Control Act" means the Water Pollution Control
33 Act of 1972, P.L. 92-500, as amended, 33 U.S.C. § 1251, et seq., and rules and
34 regulations promulgated thereunder.

1 (I) "Fund" means a fund established by this subtitle, including the Water
2 Quality Fund and the Drinking Water Loan Fund.

3 (M) ~~"LENDER" MEANS A FINANCIAL INSTITUTION THAT:~~

4 ~~(1) IS ELIGIBLE TO MAKE COMMERCIAL LOANS;~~

5 ~~(2) IS A PUBLIC DEPOSITORY OF STATE FUNDS;~~

6 ~~(3) AGREES TO RECEIVE LINKED DEPOSITS UNDER THIS TITLE; AND~~

7 ~~(4) IS INSURED BY:~~

8 ~~(i) THE FEDERAL DEPOSIT INSURANCE CORPORATION; OR~~

9 ~~(ii) THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION~~
10 HAS THE MEANING STATED IN § 9-1606.1 OF THIS SUBTITLE.

11 (N) ~~"LINKED DEPOSIT" MEANS A CERTIFICATE OF DEPOSIT PLACED BY THE~~
12 ~~ADMINISTRATION WITH A LENDER AT OR BELOW THE PREVAILING MARKET RATE AT~~
13 ~~THE TIME OF THE DEPOSIT HAS THE MEANING STATED IN § 9-1606.1 OF THIS~~
14 SUBTITLE.

15 (O) "LINKED DEPOSIT LOAN" HAS THE MEANING STATED IN § 9-1606.1 OF THIS
16 SUBTITLE.

17 (P) ~~"LINKED DEPOSIT PROGRAM" MEANS A PROGRAM ESTABLISHED BY THE~~
18 ~~ADMINISTRATION WHEREBY A CERTIFICATE OF DEPOSIT IS PLACED WITH A~~
19 ~~QUALIFYING LENDER AT OR BELOW THE PREVAILING MARKET RATE AT THE TIME OF~~
20 ~~THE DEPOSIT BASED ON THE AGREEMENT OF THE LENDER TO PROVIDE A LOAN TO A~~
21 ~~BORROWER AT A RATE BELOW THE PREVAILING MARKET RATE FOR THE PURPOSES~~
22 OF THIS SUBTITLE HAS THE MEANING STATED IN § 9-1606.1 OF THIS SUBTITLE.

23 [(m)] ~~(P)~~ (Q) "Local government" means a county, municipal corporation,
24 sanitary district, or other State or local public entity which has authority to own or
25 operate a facility, and includes any combination of 2 or more of the foregoing, acting
26 jointly to construct or operate a facility.

27 [(n)] ~~(Q)~~ (R) "Loan" means a loan from the Administration to a borrower for
28 the purpose of financing all or a portion of the cost of a wastewater facility, if the loan
29 is from the Water Quality Fund, or water supply system, if the loan is from the
30 Drinking Water Loan Fund.

31 [(o)] ~~(R)~~ (S) "Loan agreement" means a written agreement between the
32 Administration and a borrower with respect to a loan.

33 [(p)] ~~(S)~~ (T) "Loan obligation" means a bond, note, or other evidence of
34 obligation, including a mortgage, deed of trust, lien, or other security instrument,
35 issued or executed by a borrower to evidence its indebtedness under a loan agreement
36 with respect to a loan.

1 [(q)] ~~(F)~~ (U) "Wastewater facility" means any equipment, plant, treatment
 2 works, structure, machinery, apparatus, interest in land, or any combination of these,
 3 which is acquired, used, constructed, or operated for the storage, collection,
 4 treatment, neutralization, stabilization, reduction, recycling, reclamation, separation,
 5 or disposal of wastewater, or for the final disposal of residues resulting from the
 6 treatment of wastewater, including: treatment or disposal plants; outfall sewers,
 7 interceptor sewers, and collector sewers; pumping and ventilating stations, facilities,
 8 and works; programs and projects for controlling nonpoint sources of water pollution
 9 and for estuarine conservation and management; and other real or personal property
 10 and appurtenances incident to their development, use, or operation.

11 [(r)] ~~(F)~~ (V) "Water Quality Fund" means the Maryland Water Quality
 12 Revolving Loan Fund.

13 [(s)] ~~(W)~~ (W) "Water supply system" has the meaning stated in § 9-201(u) of
 14 this title.

15 9-1605.

16 (a) (1) There is a Maryland Water Quality Revolving Loan Fund. The Water
 17 Quality Fund shall be maintained and administered by the Administration in
 18 accordance with the provisions of this subtitle and such rules or program directives as
 19 the Secretary or the Board may from time to time prescribe.

20 (2) The Water Quality Fund is a special, continuing, nonlapsing fund
 21 which is not subject to § 7-302 of the State Finance and Procurement Article and
 22 which shall be available in perpetuity for the purpose of providing financial
 23 assistance in accordance with the provisions of this subtitle and Title VI of the
 24 Federal Water Pollution Control Act.

25 (3) Subject to the provisions of any applicable bond resolution regarding
 26 the holding or application of amounts in the Water Quality Fund, the Treasurer shall
 27 separately hold, and the Comptroller shall account for, the Water Quality Fund.

28 (4) (I) ~~Subject~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
 29 PARAGRAPH, AND SUBJECT to the provisions of any applicable bond resolution
 30 governing the investment of amounts in the Water Quality Fund, the Water Quality
 31 Fund shall be invested and reinvested in the same manner as other State funds;
 32 ~~EXCEPT THAT,~~

33 (II) THE ADMINISTRATION, IN COOPERATION WITH THE
 34 TREASURER, MAY ESTABLISH A LINKED DEPOSIT PROGRAM TO CARRY OUT THE
 35 PURPOSES OF THIS SUBTITLE AND TITLE VI OF THE FEDERAL WATER POLLUTION
 36 CONTROL ACT.

37 (5) Any investment earnings shall be retained to the credit of the Water
 38 Quality Fund.

1 (6) The Water Quality Fund shall be subject to biennial audit by the
2 Office of Legislative Audits as provided for in § 2-1220 of the State Government
3 Article.

4 (b) There shall be deposited in the Water Quality Fund:

5 (1) Federal capitalization grants and awards or other federal assistance
6 received by the State pursuant to Title VI of the Federal Water Pollution Control Act
7 and any funds transferred to the Water Quality Fund pursuant to § 302 of the federal
8 Safe Drinking Water Act;

9 (2) Funds appropriated by the General Assembly for deposit to the Water
10 Quality Fund;

11 (3) Payments received from any borrower in repayment of a loan,
12 including amounts withheld by the State Comptroller and paid to the Administration
13 pursuant to a pledge made by a borrower under § 9-1606(d) of this article or § 7-222
14 of the State Finance and Procurement Article;

15 (4) Net proceeds of bonds issued by the Administration;

16 (5) Interest or other income earned on the investment of moneys in the
17 Water Quality Fund; and

18 (6) Any additional moneys made available from any sources, public or
19 private, for the purposes for which the Water Quality Fund has been established.

20 (c) The Administration may from time to time establish accounts and
21 subaccounts within the Water Quality Fund as may be deemed desirable to effectuate
22 the purposes of this subtitle, to comply with the provisions of any bond resolution, or
23 to meet any requirement of the Federal Water Pollution Control Act or rules or
24 program directives established by the Secretary or the Board. Such accounts and
25 subaccounts may include:

26 (1) A federal receipts account;

27 (2) A State receipts account;

28 (3) A management and administration expense account;

29 (4) A bond proceeds account;

30 (5) An account to segregate a portion or portions of the revenues or
31 corpus of the Water Quality Fund as security for bonds of the Administration;

32 (6) A loan repayment account; and

33 (7) An investment earnings account.

34 (d) Amounts in the Water Quality Fund may be used only:

- 1 (1) To make loans, on the condition that:
- 2 (i) The loans are made at or below market interest rates, including
3 interest free loans, at terms not to exceed 20 years;
- 4 (ii) Annual principal and interest payments will commence not
5 later than 1 year after completion of any wastewater facility and all loans will be fully
6 amortized not later than 20 years after project completion;
- 7 (iii) The local government borrower will establish a dedicated source
8 of revenue for repayment of loans;
- 9 (iv) In the case of a wastewater facility owned by a borrower other
10 than a local government, the borrower will provide adequate security for repayment
11 of loans; and
- 12 (v) The Water Quality Fund will be credited with all payments of
13 principal and interest on all loans;
- 14 (2) To buy or refinance debt obligations of local governments at or below
15 market rates, if such debt obligations were incurred after March 7, 1985;
- 16 (3) To guarantee, or purchase insurance for, bonds, notes, or other
17 evidences of obligation issued by a local government for the purpose of financing all or
18 a portion of the cost of a wastewater facility, if such action would improve credit
19 market access or reduce interest rates;
- 20 (4) As a source of revenue or security for the payment of principal and
21 interest on bonds issued by the Administration if the proceeds of the sale of such
22 bonds will be deposited in the Water Quality Fund;
- 23 (5) To earn interest on Water Quality Fund accounts;
- 24 (6) TO ESTABLISH A LINKED DEPOSIT PROGRAM TO ~~CONTROL~~ PROMOTE
25 LOANS FOR CONTROLLING NONPOINT SOURCES OF POLLUTION AND ~~TO PROTECT~~
26 PROTECTING THE QUALITY OF THE WATERS OF THE STATE;
- 27 [(6)] (7) For the reasonable costs of administering the Water Quality
28 Fund and conducting activities under Title VI of the Federal Water Pollution Control
29 Act; and
- 30 [(7)] (8) For any other purpose authorized by Title VI of the Federal
31 Water Pollution Control Act or § 302 of the federal Safe Drinking Water Act.
- 32 (e) The costs of administering the Water Quality Fund shall be paid from
33 federal capitalization grants and awards, from bond sale proceeds, and from amounts
34 received from borrowers pursuant to loan agreements, and not from any State
35 moneys appropriated to the Fund, except general funds of the State used to match
36 federal capitalization grants and awards to the Water Quality Fund.

1 9-1605.1.

2 (a) (1) There is a Maryland Drinking Water Revolving Loan Fund. The
3 Drinking Water Loan Fund shall be maintained and administered by the
4 Administration in accordance with the provisions of this subtitle and such rules or
5 program directives as the Secretary or the Board may from time to time prescribe.

6 (2) The Drinking Water Loan Fund is a special, continuing, nonlapsing
7 fund which is not subject to § 7-302 of the State Finance and Procurement Article and
8 which shall be available in perpetuity for the purpose of providing financial
9 assistance in accordance with the provisions of this subtitle and the federal Safe
10 Drinking Water Act.

11 (3) Subject to the provisions of any applicable bond resolution regarding
12 the holding or application of amounts in the Drinking Water Loan Fund, the
13 Treasurer shall separately hold, and the Comptroller shall account for, the Drinking
14 Water Loan Fund.

15 (4) (I) Subject EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
16 PARAGRAPH, AND SUBJECT to the provisions of any applicable bond resolution
17 governing the investment of amounts in the Drinking Water Loan Fund, the Drinking
18 Water Loan Fund shall be invested and reinvested in the same manner as other State
19 funds, ~~EXCEPT THAT,~~

20 (II) THE ADMINISTRATION, IN COOPERATION WITH THE
21 TREASURER, MAY ESTABLISH A LINKED DEPOSIT PROGRAM TO CARRY OUT THE
22 PURPOSES OF THIS SUBTITLE AND THE FEDERAL SAFE DRINKING WATER ACT.

23 (5) Any investment earnings shall be retained to the credit of the
24 Drinking Water Loan Fund.

25 (6) The Drinking Water Loan Fund shall be subject to biennial audit by
26 the Office of Legislative Audits as provided for in § 2-1220 of the State Government
27 Article.

28 (7) The Administration shall operate the Drinking Water Loan Fund in
29 accordance with § 9-1616 through § 9-1621, inclusive, of this article.

30 (b) There shall be deposited in the Drinking Water Loan Fund:

31 (1) Federal grants and awards or other federal assistance received by the
32 State for the purpose of making loans to borrowers for water supply systems and any
33 funds transferred from the Water Quality Fund pursuant to § 302 of the federal Safe
34 Drinking Water Act;

35 (2) Funds appropriated by the General Assembly for deposit to the
36 Drinking Water Loan Fund;

37 (3) Payments received from borrowers for deposit to the Drinking Water
38 Loan Fund in repayment of a loan, including amounts withheld by the State

1 Comptroller and paid to the Administration pursuant to a pledge made by a borrower
2 under § 9-1606(d) of this article or § 7-222 of the State Finance and Procurement
3 Article;

4 (4) Net proceeds of bonds issued by the Administration;

5 (5) Interest or other income earned on the investment of moneys in the
6 Drinking Water Loan Fund; and

7 (6) Any additional moneys made available from any sources, public or
8 private, for the purposes for which the Drinking Water Loan Fund has been
9 established.

10 (c) The Administration may from time to time establish accounts and
11 subaccounts within the Drinking Water Loan Fund as may be deemed desirable to
12 effectuate the purposes of this subtitle, to comply with the provisions of any bond
13 resolution, to meet the requirements of any federal law, or of any federal grant or
14 award to the Drinking Water Loan Fund, or to meet any rules or program directives
15 established by the Secretary or the Board.

16 (d) Amounts in the Drinking Water Loan Fund may be used only:

17 (1) To make loans at or below market rates on the condition that:

18 (i) The local government borrower will establish a dedicated source
19 of revenue;

20 (ii) In the case of a water supply system owned by a borrower other
21 than a local government, the borrower shall provide adequate security for the
22 repayment of the loan;

23 (iii) The Drinking Water Loan Fund will be credited with all
24 payments of principal and interest on all loans; and

25 (iv) Annual principal and interest payments will commence not
26 later than 1 year after completion of any drinking water facility and, except as
27 provided in § 130 of the federal Safe Drinking Water Act, all loans will be fully
28 amortized not later than 20 years after project completion;

29 (2) To buy or refinance debt obligations of local governments issued by a
30 local government for the purposes of financing all or a portion of the cost of a water
31 supply system at or below market rates, if such debt obligations were incurred after
32 July 1, 1993;

33 (3) To guarantee or purchase insurance for bonds, notes, or other
34 evidences of indebtedness issued by a local government for the purposes of financing
35 all or a portion of the cost of a water supply system, if such action would improve
36 credit market access or reduce interest rates;

1 (4) As a source of revenue or security for the payment of principal and
2 interest on bonds issued by the Administration if the proceeds of the sale of such
3 bonds will be deposited in the Drinking Water Loan Fund;

4 (5) To earn interest on Drinking Water Loan Fund accounts;

5 (6) For the reasonable costs of administering the Drinking Water Loan
6 Fund and conducting activities under any federal law that may apply to federal
7 deposits to the Drinking Water Loan Fund;

8 (7) TO ESTABLISH A LINKED DEPOSIT PROGRAM FOR LOANS IN
9 ACCORDANCE WITH THIS SUBTITLE AND THE FEDERAL SAFE DRINKING WATER ACT;

10 [(7)] (8) For loan subsidies for disadvantaged communities as provided
11 by the federal Safe Drinking Water Act, including but not limited to loan forgiveness,
12 provided that such loan subsidies shall not exceed 30% of the annual federal
13 capitalization grant received by the Administration; and

14 [(8)] (9) For any other purpose authorized for any federal funds
15 deposited in the Drinking Water Loan Fund including, without limitation, any
16 purpose authorized by the federal Safe Drinking Water Act, including source water
17 protection expenditures eligible for assistance from the Drinking Water Loan Fund.

18 (e) The costs of administering the Drinking Water Loan Fund shall be paid
19 from federal grants and awards, from bond sale proceeds, and from amounts received
20 from borrowers pursuant to loan agreements, and may not be paid from any State
21 moneys appropriated to the Drinking Water Loan Fund, except general funds of the
22 State used to match federal grants and awards to the Drinking Water Loan Fund.

23 9-1606.

24 (a) A loan made by the Administration shall be evidenced by a loan agreement.
25 Loans made from the Water Quality Fund shall be subject to the provisions of §
26 9-1605(d)(1) of this article. Loans made from the Drinking Water Loan Fund shall be
27 subject to the provisions of § 9-1605.1(d)(1) of this subtitle. Subject to the provisions
28 of any applicable bond resolution, the Administration may consent to the
29 modification, with respect to rate of interest, time of payment of any installment of
30 principal or interest, security, or any other term of any loan agreement or loan
31 obligation. In connection with any security received by or owned by the
32 Administration, including any loan obligations, the Administration may commence
33 any action to protect or enforce the rights conferred upon it by any law or loan
34 agreement or loan obligation.

35 (b) Notwithstanding any other provision of public general or public local law,
36 charter, or ordinance, a borrower may issue and sell loan obligations to the
37 Administration:

38 (1) At private sale, without public bidding;

1 (2) Without regard to any limitations on the denomination of such
2 obligations; and

3 (3) At any interest rate or cost or at any price that the borrower
4 considers necessary or desirable.

5 (c) A borrower may pay any fees or charges necessary to enable the
6 Administration to sell its bonds, including any fees for the insurance of its loan
7 obligations or bonds of the Administration, or to provide any other guarantee, credit
8 enhancement, or additional security for any such loan obligations or bonds.

9 (d) Notwithstanding any other provision of public general or public local law,
10 charter, or ordinance, a borrower may agree with the Administration to pledge any
11 moneys that the borrower is entitled to receive from the State, including the
12 borrower's share of the State income tax, to secure its obligations under a loan
13 agreement. The State Comptroller and the State Treasurer shall cause any moneys
14 withheld under such a pledge to be paid to, or applied at the direction of, the
15 Administration.

16 (e) Each loan agreement shall contain a provision whereby the borrower
17 acknowledges and agrees that the borrower's loan obligation is cancelable only upon
18 repayment in full and that neither the Administration, the Secretary, nor the Board is
19 authorized to forgive the repayment of all or any portion of the loan, except for loans
20 to disadvantaged communities, pursuant to the federal Safe Drinking Water Act.

21 (f) In the event of a default on a loan obligation by a borrower other than a
22 local government, the Administration may place a lien against property of the
23 borrower securing the loan which, subject to the tax liens of the federal, State, and
24 local governments, shall have the same priority and status as a lien of the State for
25 unpaid taxes under §§ 14-804 and 14-805 of the Tax - Property Article. The
26 Administration may exercise the same rights and powers in enforcing such lien and
27 collecting funds for the payment of amounts in default under the loan obligation as
28 the State may exercise in collecting unpaid taxes under Subtitle 8 of the Tax -
29 Property Article.

30 9-1606.1.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

33 (2) "LENDER" MEANS A FINANCIAL INSTITUTION THAT:

34 (I) IS ELIGIBLE TO MAKE COMMERCIAL LOANS;

35 (II) IS A PUBLIC DEPOSITORY OF STATE FUNDS;

36 (III) AGREES TO RECEIVE LINKED DEPOSITS UNDER THIS SUBTITLE;

37 AND

1 (IV) IS INSURED BY THE FEDERAL DEPOSIT INSURANCE
2 CORPORATION.

3 (3) "LINKED DEPOSIT" MEANS A DEPOSIT THAT IS PLACED BY THE
4 ADMINISTRATION WITH A LENDER AND EARNS INCOME BELOW THE PREVAILING
5 MARKET RATE FOR EQUIVALENT DEPOSITS MADE WITH THE LENDER AT THE TIME
6 OF THE DEPOSIT.

7 (4) "LINKED DEPOSIT LOAN" MEANS A LOAN FROM A LENDER TO A
8 BORROWER THAT:

9 (I) IS USED FOR THE PURPOSES OF § 9-1605(D)(6) OR § 9-1605.1(D)(7)
10 OF THIS SUBTITLE; AND

11 (II) IS PROVIDED AT AN INTEREST RATE BELOW THE PREVAILING
12 MARKET RATE TO THE SAME EXTENT INCOME EARNED ON THE LINKED DEPOSIT IS
13 BELOW INCOME PAID ON EQUIVALENT DEPOSITS.

14 (5) "LINKED DEPOSIT PROGRAM" MEANS A PROGRAM ESTABLISHED BY
15 THE ADMINISTRATION WHEREBY A LINKED DEPOSIT IS PLACED WITH A LENDER
16 BASED ON THE AGREEMENT OF THE LENDER TO PROVIDE A LINKED DEPOSIT LOAN
17 TO A BORROWER.

18 (B) (1) A BORROWER DESIRING TO ACQUIRE A LINKED DEPOSIT LOAN
19 SHALL APPLY TO A LENDER.

20 (2) THE ADMINISTRATION SHALL CERTIFY TO A LENDER THAT A
21 BORROWER IS ELIGIBLE FOR A LINKED DEPOSIT LOAN CONSISTENT WITH §
22 9-1605(D)(6) OR § 9-1605.1(D)(7) OF THIS SUBTITLE.

23 (C) UPON APPROVAL OF A LINKED DEPOSIT LOAN BY THE LENDER, THE
24 ADMINISTRATION AND LENDER SHALL ENTER INTO AN AGREEMENT UNDER WHICH
25 THE AMOUNT AND TERM OF, AND SCHEDULE FOR PAYMENT OF PRINCIPAL AND
26 INTEREST ON, THE LINKED DEPOSIT SHALL BE DETERMINED.

27 (D) ON RECEIVING A LINKED DEPOSIT FROM THE ADMINISTRATION, THE
28 LENDER SHALL EXECUTE A LOAN COMMITMENT WITH THE BORROWER.

29 (E) A LINKED DEPOSIT LOAN IS NOT A DEBT OF THE STATE OR A PLEDGE OF
30 THE CREDIT OF THE STATE.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect October 1, 1998.