



ADMINISTRATIVE RULES OF MONTANA

36.24.103 DIRECT LOANS

- (1) The department may make a direct loan to a borrower for the purpose of financing or refinancing eligible projects costs of an eligible water pollution control project.
 - (a) The loan to a municipality must be evidenced by a bond issued by the governing body of the municipality pursuant to a bond resolution.
 - (b) The loan to a private person must be evidenced by a loan agreement approved and authorized for execution and delivery by the board of directors or such other governing body of the private person that is authorized by law to bind the private person.
- (2) The bond resolution must be in a form acceptable to the department and contain provisions and covenants appropriate to the type of bond being issued, consistent with the provisions of these rules, the commitment agreement and any financial or other requirements imposed by the department pursuant to these rules.
 - (a) The department has adopted a form of bond resolution for municipalities that is available for review by prospective borrowers. Subject to the following, the bond issued by a municipality shall be issued in full compliance with all pertinent statutory provisions of Montana law and these rules, and applicable provisions of the code so that the interest thereon is exempt from federal income taxation.
 - (b) The requirements for a resolution relation to a loan to or for the benefit of a private person involved in a nonpoint source project will vary on a case by case basis. A bond issued for the benefit of a private person shall, to the extent reasonably practicable, be issued so that the interest thereon is exempt from federal income tax.
- (3) Anytime after receipt of notice that the proposed project has been placed on the priority list and the engineering report for the proposed project, including compliance with the Montana Environmental Protection Act has been approved, a municipality or private person may file an application for financing from the state revolving fund. The borrower shall indicate on the application the type of bond it proposes to issue to secure the requested loan. The borrower shall submit with its application the financial information necessary to enable the department to determine compliance with the provisions of these rules and sufficient information to determine whether the project proposed to be financed is an eligible water pollution control project.

Authorizing statute(s): 75-5-1105, MCA

Implementing statute(s): 75-5-1113, MCA



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History: NEW, 1991 MAR p. 1952, Eff. 10/18/91; AMD, 1995 MAR p. 2423, Eff. 11/10/95; AMD, 2002 MAR p. 2213, Eff. 8/16/02.