

(2) To buy or refinance debt obligations of local governments at or below market rates, if such debt obligations were incurred after March 7, 1985;

~~(3) TO ESTABLISH A LINKED DEPOSIT PROGRAM OR PROGRAMS TO CONTROL NONPOINT SOURCES OF POLLUTION AND FOR ESTUARINE CONSERVATION AND MANAGEMENT;~~

~~(3) (4) (2)~~ To guarantee, or purchase insurance for, bonds, notes, or other evidences of obligation issued by a local government for the purpose of financing all or a portion of the cost of a wastewater facility, if such action would improve credit market access or reduce interest rates;

~~(4) (5) (4)~~ As a source of revenue or security for the payment of principal and interest on bonds issued by the Administration if the proceeds of the sale of such bonds will be deposited in the Water Quality Fund;

~~(5) (6) (2)~~ To earn interest on Water Quality Fund accounts;

~~(6) (7) (6)~~ For the reasonable costs of administering the Water Quality Fund and conducting activities under Title VI of the Federal Water Pollution Control Act; and

~~(7) (8) (7)~~ For any other purpose authorized by Title VI of the Federal Water Pollution Control Act OR § 302 OF THE FEDERAL SAFE DRINKING WATER ACT.

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

9-1605.1.

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

(2) The Drinking Water Loan Fund is a special, continuing, nonlapsing fund which is not subject to § 7-302 of the State Finance and Procurement Article and which shall be available in perpetuity for the purpose of providing financial assistance [to local governments for water supply systems and costs related thereto, including studies, surveys, tests, insurance, architectural, engineering and legal services, other special services, administrative costs, and other miscellaneous expenses] IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE AND THE FEDERAL SAFE DRINKING WATER ACT.

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