

# STATE OF NEW YORK

S. 8255

A. 10444

## SENATE - ASSEMBLY

April 23, 2018

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

IN ASSEMBLY -- Introduced by M. of A. THIELE -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law in relation to authorizing municipal corporations to establish septic system replacement loan programs

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general municipal law is amended by adding a new article 5-M to read as follows:

### ARTICLE 5-M

#### MUNICIPAL SEPTIC SYSTEM REPLACEMENT LOAN PROGRAM

2 Section 119-hh. Legislative findings and declaration.

3 119-ii. Definitions.

4 119-jj. Municipal septic system replacement loan program.

5 § 119-hh. Legislative findings and declaration. The legislature finds and declares that it is the policy of the state to promote improved water quality across the state; and that to achieve such policy and goals the state must promote the deployment of enhanced treatment technologies, including advanced nitrogen removal systems, to significantly and quantifiably reduce environmental and/or public health impacts associated with effluent from a cesspool or septic system to groundwater used for drinking water, or a threatened or an impaired waterbody throughout the state; and that municipalities would fulfill an important public purpose by providing loans to property owners for the installation of such enhanced treatment technologies.

6 § 119-ii. Definitions. As used in this section, the following words and terms shall have the following meanings:

7 1. "Cesspool" means a drywell that receives untreated sanitary waste containing human excreta, which sometimes has an open bottom and/or perforated sides.

8 EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 2. "Septic system" means a system that provides for the treatment  
2 and/or disposition of the combination of human and sanitary waste with  
3 water not exceeding one thousand gallons per day, serving a single  
4 parcel of land.

5 3. "Septic system project" means the replacement of a cesspool with a  
6 septic system, the installation, replacement or upgrade of a septic  
7 system or septic system components, or installation of enhanced treat-  
8 ment technologies, including an advanced nitrogen removal system, to  
9 significantly and quantifiably reduce environmental and/or public health  
10 impacts associated with effluent from a cesspool or septic system to  
11 groundwater used as drinking water, or a threatened or an impaired  
12 waterbody.

13 § 119-jj. Municipal septic system replacement loan program. 1. The  
14 legislative body of any municipal corporation may, by local law, estab-  
15 lish a septic system replacement loan program.

16 2. Such program may make loans to the owners of real property located  
17 within the municipal corporation to finance the installation of septic  
18 system projects. The municipal corporation may establish priority areas  
19 for such loans in order to maximize environmental and public health  
20 benefits.

21 3. Each such local law establishing the septic system replacement loan  
22 program shall provide for the criteria for making such loans and the  
23 terms and conditions for repayment of such loans.

24 4. Every loan made under the septic system replacement loan program  
25 shall be repaid over a term not to exceed ten years. The municipal  
26 corporation shall set a fixed rate of interest for the repayment of the  
27 principal amount of each loan at the time the loan is made.

28 5. The principal amount of each such loan, excluding interest, shall  
29 not exceed the actual cost of installing the septic system project,  
30 including the costs of necessary equipment, materials, and labor.

31 6. No such loan shall be made for a septic system replacement project  
32 unless such system is approved by the local department of health.

33 7. The loan made under the septic system replacement loan program  
34 shall constitute a lien upon the real property benefitted by such loan.

35 8. The municipal corporation may require the loan made under the  
36 septic system loan program to be repaid by the property owner through a  
37 charge on the real property benefitted by such loan. Such charge shall  
38 be on the real property and shall be levied and collected at the same  
39 time and in the same manner as municipal taxes, provided that such  
40 charge shall be separately listed on the tax bill, and provided further  
41 that in the event such charge should not be paid in a timely manner, no  
42 other municipal corporation shall be required to credit or otherwise  
43 guarantee the amount of such unpaid charge to the municipal corporation  
44 which authorized the loan, notwithstanding any provision of law to the  
45 contrary.

46 § 2. Severability. The provisions of this act shall be severable and  
47 if any portion thereof or the applicability thereof to any person or  
48 circumstances shall be held invalid, the remainder of this act and the  
49 application thereof shall not be affected thereby.

50 § 3. This act shall take effect immediately.