§ 54-0511. Loans for municipal landfill closure projects and municipal landfill gas management projects.

1. A municipality eligible for a state assistance payment pursuant to subdivision two of section 54-0509 of this title and which has a population smaller than thirty-five hundred as determined by the current federal decennial census is also eligible for a loan to a maximum of the unfunded portion of such project.

2. Loans pursuant to this title shall be without interest and for a term not to exceed twenty years.

3. Loan repayments under this title shall be deposited to the credit of the environmental protection fund pursuant to subdivision two of section ninety-two-s of the state finance law.

4. A municipality obtaining a loan under subdivision one of this section shall enter into a contract with the commissioner. That contract shall contain the following provisions:

a. the loan shall be repaid in appropriate equal installments. There shall be a one percent per month surcharge for each month of delinquent payment added to any such installment tendered more than sixty days after the due date.

b. in the event a municipality shall fail to make any payment due to the state pursuant to this title, the commissioner shall certify to the comptroller and notify the chairman of the assembly ways and means committee, the chairman of the senate finance committee, the director of the division of the budget and the governing body of the municipality that such municipality has failed to make such payment. Such certificate shall be in the form as may be determined by the commissioner provided such certificate shall specify the exact amount of principal and surcharge required to satisfy such municipality's unpaid obligation. The comptroller, upon receipt of such certificate from the commissioner, shall withhold from such municipality any state aid payable to it to the extent necessary to meet the certified amount of principal and surcharge

due the commissioner and shall immediately pay over to the environmental protection fund the amount so withheld.