

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1341
House Committee Substitute Favorable 6/30/00

Short Title: Flood Hazard Prevention Act of 2000.

(Public)

Sponsors:

Referred to:

May 18, 2000

1 A BILL TO BE ENTITLED
2 AN ACT TO PREVENT INAPPROPRIATE DEVELOPMENT IN THE ONE
3 HUNDRED-YEAR FLOODPLAIN AND TO REDUCE FLOOD HAZARDS, AS
4 RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Whereas, the hurricanes and associated flooding experienced in Eastern North Carolina in 1999 caused over six billion dollars in damage; and

Whereas, some of the structural damage resulting from the floods could have been prevented by requiring development in the floodplain to be elevated above the 100-year floodplain; and

Whereas, harm to the environment could have been minimized by prohibiting certain inappropriate uses in the floodplain; and

Whereas, loss of life and property could have been reduced by preventing certain types of development in the floodplain; and

Whereas, future loss of life and property can be reduced by more effective enforcement of floodplain management regulations; Now, therefore,

5 The General Assembly of North Carolina enacts:

6 Section 1. Part 6 of Article 21 of Chapter 143 of the General Statutes reads as
7 rewritten:

8 **"PART 6. ~~FLOODWAY~~ FLOODPLAIN REGULATION.**

1 **"§ 143-215.51. Preamble. Purposes; declaration of policy.**

2 (a) ~~The purpose purposes of this Part is to specify means for regulation of artificial~~
3 ~~obstructions in floodways. are to:~~

4 (1) Minimize the extent of floods by preventing obstructions that inhibit
5 water flow and increase flood height and damage.

6 (2) Prevent and minimize loss of life, injuries, property damage, and other
7 losses in flood hazard areas.

8 (3) Promote the public health, safety, and welfare of citizens of North
9 Carolina in flood hazard areas.

10 (b) It is hereby declared that the channel and ~~a portion of the adjoining 100-year~~
11 ~~floodplain of all the State's streams will be designated as a floodway, in which artificial~~
12 ~~obstructions may not be placed flood hazard area. Structures and other artificial~~
13 ~~obstructions may not be placed in a designated flood hazard area, except in accordance~~
14 ~~with the provisions of this Part. The purpose of designating these areas as a floodway is to~~
15 ~~help control and minimize the extent of floods by preventing obstructions which inhibit water~~
16 ~~flow and increase flood height and damage, and thereby to prevent and minimize loss of life,~~
17 ~~injuries, property damage and other losses (both public and private) in flood hazard areas, and to~~
18 ~~promote the public health, safety and welfare of citizens of North Carolina in flood hazard areas.~~

19 **"§ 143-215.52. Definitions.**

20 (a) ~~As used in this Part, unless the context otherwise requires: Part:~~

21 (1) ~~'Artificial obstruction' means any obstruction which to the flow of water~~
22 ~~in a stream that is not a natural obstruction, including any which, that,~~
23 ~~while not a significant obstruction in itself, is capable of accumulating~~
24 ~~debris and thereby reducing the flood-carrying capacity of the stream.~~

25 (1a) 'Base flood' or '100-year flood' means a flood that has a one percent
26 (1%) chance of being equalled or exceeded in any given year. The term
27 'base flood' is used in the National Flood Insurance Program to indicate
28 the minimum level of flooding to be addressed by a community in its
29 floodplain management regulations.

30 (1b) 'Base floodplain' or '100-year floodplain' means that area subject to a
31 one percent (1%) or greater chance of flooding in any given year, as
32 shown on the current floodplain maps prepared pursuant to the National
33 Flood Insurance Program or approved by the Department.

34 (1c) 'Department' means the Department of Crime Control and Public Safety.

35 (1d) 'Flood hazard area' means the area designated by a local government,
36 pursuant to this Part, as an area where development must be regulated to
37 prevent damage from flooding. The flood hazard area must include and
38 may exceed the base floodplain.

39 (2) 'Floodway' means that portion of the channel and floodplain of a stream
40 designated to provide passage for the 100-year flood, without increasing
41 the elevation of that flood at any point by more than one foot.

42 (3) 'Local government' means any county or municipal corporation.

- 1 (3a) 'Lowest floor', when used in reference to a structure, means the lowest
2 enclosed area, including a basement, of the structure. An unfinished or
3 flood resistant enclosed area, other than a basement, that is usable solely
4 for parking vehicles, building access, or storage is not a lowest floor.
- 5 (4) 'Natural obstruction' includes any rock, tree, gravel, or ~~analogous~~ other
6 natural matter that is an obstruction and has been located within the
7 floodway by a nonhuman cause.
- 8 (5) 'Stream' means a watercourse that collects surface runoff from an area
9 of one square mile or greater. ~~This does not include flooding due to tidal or~~
10 ~~storm surge on estuarine or ocean waters.~~
- 11 (6) 'Structure' means a walled or roofed building, including a mobile home
12 and a gas or liquid storage tank.
- 13 (7) 'Substantial improvement' means any repair, reconstruction, or other
14 improvement of a structure or facility that has been damaged in excess
15 of, or the cost of which equals or exceeds, fifty percent (50%) of the
16 market value of the structure or replacement cost of the facility.
- 17 (b) As used in this Part, the terms 'artificial obstruction' and 'structure' do not
18 include any of the following:
- 19 (1) An electric generation, distribution, or transmission facility.
20 (2) A gas pipeline or gas transmission or distribution facility, including a
21 compressor station or related facility.
- 22 (3) A water treatment or distribution facility, including a pump station.
23 (4) A wastewater collection or treatment facility, including a lift station.
24 (5) Processing equipment used in connection with a mining operation.
- 25 **"§ 143-215.53. Artificial obstruction prohibited. Floodplain development regulated.**
- 26 If a local government adopts an ordinance to regulate uses in flood hazard areas in
27 accordance with this part:
- 28 (1) The ~~placement of any~~ Except as provided in G.S. 143-215.54 and G.S.
29 143-215.57, no person shall place an artificial obstruction in the
30 floodway of any stream or construct any structure in a flood hazard area.
31 ~~after the floodway has been delineated pursuant to G.S. 143-215.56 is hereby~~
32 ~~prohibited, except as set forth in G.S. 143-215.54, unless a permit has been~~
33 ~~obtained for such artificial obstruction from the responsible local government.~~
34 ~~No damageable portion of a structure located outside the floodway may be~~
35 ~~below the elevation that would be attained by the 100-year flood if the stream~~
36 ~~were contained within the floodway.~~
- 37 (2) Except as provided in G.S. 143-215.54 and G.S. 143-215.57, the lowest
38 floor of any new structure and of any existing structure to which
39 substantial improvement is made shall be a minimum of one foot above
40 base flood elevation unless the local government that has jurisdiction
41 over the structure has, within the previous five years, undertaken a study
42 of base flood elevations and the 100-year floodplain that considered
43 anticipated future development and the local government has revised its

1 floodplain development ordinance accordingly. Areas where no base
2 flood elevation is shown on the current floodplain maps prepared
3 pursuant to the National Flood Insurance Program or approved by the
4 Department are subject to the minimum elevation requirements for
5 participation in the National Flood Insurance Program.

6 **"§ 143-215.54. ~~Floodway~~ Flood hazard area uses.**

7 (a) ~~Local governments are empowered to~~ A local government may adopt ordinances
8 to regulate uses in flood hazard areas and grant permits for the use of the floodways-flood
9 hazard areas that are consistent with the purposes-requirements of this Part and for purposes
10 which the State does not regulate either by a permit or a formal approval system. Part.

11 (b) The following uses may be made of ~~floodways as a matter of right~~ flood hazard
12 areas without a permit issued under this Part. ~~Part,~~ provided that these uses comply with
13 local land-use ordinances and any other applicable laws or regulations:

14 (1) General farming, pasture, outdoor plant nurseries, horticulture, forestry,
15 mining, wildlife sanctuary, game farm, and other similar agricultural,
16 wildlife and related uses;

17 (2) Ground level loading areas, parking areas, rotary aircraft ports and other
18 similar ground level area uses;

19 (3) Lawns, gardens, play areas and other similar uses;

20 (4) Golf courses, tennis courts, driving ranges, archery ranges, picnic
21 grounds, parks, hiking or horseback riding trails, open space and other
22 similar private and public recreational uses.

23 (c) Solid waste disposal facilities, hazardous waste management facilities, salvage
24 yards, and chemical storage facilities may not be located in the 100-year floodplain.

25 (d) A manufactured home, as defined in G.S. 143-143.9, may be placed in a 100-
26 year floodplain and a manufactured home that is located in a 100-year floodplain may be
27 substantially improved if the lowest floor of the manufactured home is one foot above the
28 base flood elevation, and the manufactured home is securely anchored to resist floatation,
29 collapse, or lateral movement.

30 (e) A structure or tank for chemical or fuel storage incidental to a use that is
31 allowed under this section or to the operation of a water treatment plant or wastewater
32 treatment facility may be located in a 100-year floodplain if the structure or tank is either
33 elevated one foot above base flood elevation or designed to be watertight with walls
34 substantially impermeable to the passage of water and with structural components
35 capable of resisting hydrostatic and hydrodynamic loads and the effects of buoyancy.

36 (f) Land application of waste at agronomic rates consistent with a permit issued
37 under Part 1 or Part 1A of Article 21 of Chapter 143 of the General Statutes or an
38 approved animal waste management plan is not prohibited.

39 (g) Uses otherwise prohibited under this section may be permitted in the 100-year
40 floodplain upon the local government finding that all of the following apply:

41 (1) The use serves a critical need in the community.

42 (2) No feasible location exists for the location of the use outside the 100-
43 year floodplain.

1 (3) The lowest floor of any structure is elevated one foot above the base
2 flood elevation or is designed to be watertight with walls substantially
3 impermeable to the passage of water and with structural components
4 capable of resisting hydrostatic and hydrodynamic loads and the effects
5 of buoyancy.

6 (4) The use complies with all other applicable laws and regulations.

7 "**§ 143-215.55. Existing artificial obstructions. Acquisition of existing structures.**

8 ~~Artificial obstructions existing in a floodway on July 1, 1971, shall not be considered~~
9 ~~to be in violation of this Part. However, they may not be enlarged or replaced in part or in~~
10 ~~whole, without a permit, as provided by this Part in the case of a proposed artificial~~
11 ~~obstruction. Local governments are empowered to~~ A local government may acquire, by
12 purchase, exchange, or condemnation such existing artificial obstructions if deemed
13 necessary by the responsible local government for the purpose of avoiding flood
14 damages. an existing structure located in a flood hazard area in the area regulated by the
15 local government if the local government determines that the acquisition is necessary to
16 prevent damage from flooding. The procedure in all condemnation proceedings pursuant
17 to this section shall conform as nearly as possible to the procedure provided in Article 3
18 of Chapter 40A of the General Statutes.

19 "**§ 143-215.56. Delineation of floodway; flood hazard areas and 100-year floodplains;**
20 **powers of Commission and Department; powers of local governments.**
21 **governments and of the Department.**

22 (a) For the purpose of delineating ~~the floodway~~ a flood hazard area and evaluating
23 the possibility of flood damages, ~~responsible local governments are empowered to:~~ a local
24 government may:

25 (1) Request technical assistance from the competent State and federal
26 agencies, including the Army Corps of Engineers, the ~~Soil Conservation~~
27 ~~Service,~~ Natural Resource Conservation Service, the Tennessee Valley
28 Authority, the Federal Emergency Management Agency, the North
29 Carolina Department of Crime Control and Public Safety, the North
30 Carolina Geodetic Survey, the North Carolina Geological Survey, and
31 the U.S. Geological Survey, or successor ~~agencies, and agencies.~~

32 (2) Utilize the reports and data supplied by federal and State agencies as the
33 basis for the exercise by local ordinance or resolution of the powers and
34 responsibilities conferred on responsible local governments by this Part.

35 (b) The Department ~~shall be empowered to render~~ shall provide advice and
36 assistance to any local government having responsibilities under this Part. In exercising
37 this function ~~it shall specifically be authorized to~~ the Department may furnish manuals,
38 suggested standards, plans, and other technical data; ~~to~~ conduct training programs; ~~and to~~
39 give advice and assistance with respect to ~~handling of particular applications;~~ delineation of
40 flood hazard areas and the development of appropriate ordinances; ~~but it shall not be~~
41 ~~limited to such activities.~~ and provide any other advice and assistance that the Department
42 deems appropriate. The Department shall send a copy of every rule adopted to
43 implement this Part to the governing body of each local government in the State.

1 (c) A local government may delineate any ~~floodway~~ flood hazard area subject to its
2 regulation by showing it on a map or drawing, by a written description, or any
3 combination thereof, to be designated appropriately and filed permanently with the clerk
4 of superior court and with the register of deeds in the county where the land lies. A local
5 government may also delineate a flood hazard area by reference to a map prepared
6 pursuant to the National Flood Insurance Program. ~~The Commission may delineate a~~
7 ~~floodway, in the same manner and subject to the same requirement, when the reach of a stream~~
8 ~~in which a floodway is determined by the Commission to be needed exceeds the jurisdiction of a~~
9 ~~single local government.~~—Alterations in the lines delineated shall be indicated by
10 appropriate entries upon or addition to ~~such map~~ the appropriate map, drawing, or
11 description. ~~Such entries~~ Entries or additions shall be made by or under the direction of
12 the clerk of superior court. Photographic, typed or other copies of ~~such map~~ the map,
13 drawing, or description, certified by the clerk of superior court, shall be admitted in
14 evidence in all courts and shall have the same force and effect as would the original map
15 or description. A local government ~~or the Commission~~ may provide for the redrawing of
16 any ~~such map~~. A redrawn map shall supersede for all purposes the earlier map or maps
17 ~~which that~~ it is designated to replace upon the filing and approval thereof as designated
18 and provided above.

19 (d) ~~If the Commission determines that the floodway of any stream or stream~~
20 ~~segment should be delineated and the use thereof controlled as provided in this Part, and~~
21 ~~the local governments within which the stream or segment lies have not delineated the~~
22 ~~floodway or controlled uses therein, the Commission shall advise the local governments~~
23 ~~of its intent to delineate the floodway, and it shall be the responsibility of the local~~
24 ~~governments to control uses therein. At least 30 days prior to the effective date of a rule~~
25 ~~of the Commission establishing any floodway, notice of the effective date and copies of~~
26 ~~the rule shall be delivered to every affected local government along with copies of all~~
27 ~~maps and plans delineating the floodway. Public notice of the rule shall be given at least~~
28 ~~30 days prior to the effective date by publication of a notice once a week for two~~
29 ~~successive weeks in a newspaper or newspapers having general circulation in the county~~
30 ~~or counties in which each affected local government lies and by posting a copy of the~~
31 ~~notice at the courthouse of each such county, along with a sketch map showing the stream~~
32 ~~or stream segment affected. The notice shall be adequate to apprise all interested persons~~
33 ~~of the nature of the rules, the effective date thereof, the stream or stream segment~~
34 ~~affected, and the manner in which more detailed information may be secured.~~ The
35 Department may prepare a floodplain map that identifies the 100-year floodplain and
36 base flood elevations for an area for the purposes of this Part if all of the following
37 conditions apply:

- 38 (1) The 100-year floodplain and base flood elevations for the area are not
39 identified on a floodplain map prepared pursuant to the National Flood
40 Insurance Program within the previous five years.
41 (2) The Department determines that the 100-year floodplain and the base
42 flood elevations for the area need to be identified and the use of the area

1 regulated in accordance with the requirements of this Part in order to
2 prevent damage from flooding.

3 (3) The Department prepares the floodplain map in accordance with the
4 federal standards required for maps to be accepted for use in
5 administering the National Flood Insurance Program.

6 (e) Prior to preparing a floodplain map pursuant to subsection (d) of this section,
7 the Department shall advise each local government whose jurisdiction includes a portion
8 of the area to be mapped.

9 (f) Upon completing a floodplain map pursuant to subsection (d) of this section,
10 the Department shall both:

11 (1) Provide copies of the floodplain map to every local government whose
12 jurisdiction includes a portion of the 100-year floodplain identified on
13 the floodplain map.

14 (2) Submit the floodplain map to the Federal Emergency Management
15 Agency for approval for use in administering the National Flood
16 Insurance Program.

17 (g) Upon approval of a floodplain map prepared pursuant to subsection (d) of this
18 section by the Federal Emergency Management Agency for use in administering the
19 National Flood Insurance Program, it shall be the responsibility of each local government
20 whose jurisdiction includes a portion of the 100-year floodplain identified in the
21 floodplain map to incorporate the revised map into its floodplain ordinance.

22 **"§ 143-215.57. Procedures in issuing permits.**

23 (a) ~~Responsible local governments are empowered to~~ A local government may
24 establish application forms and require such maps, plans, and other information as
25 necessary for the issuance of permits in a manner consonant with the objectives of this
26 Part. For this purpose they may take into account anticipated development in the
27 foreseeable future that may be adversely affected by the obstruction, as well as existing
28 development. They shall consider the effects of a proposed artificial obstruction in a
29 floodway stream in creating danger to life and property by:

30 (1) ~~By water which~~ Water that may be backed up or diverted by such
31 ~~obstruction; the obstruction.~~

32 (2) ~~By the~~ The danger that the obstruction will be swept downstream to the
33 ~~injury of others; and others.~~

34 (3) ~~By the~~ The injury or damage at the site of the obstruction itself.

35 ~~For this purpose they may take into account anticipated development in the~~
36 ~~foreseeable future which may be adversely affected by the obstruction, as well as existing~~
37 ~~development.~~

38 (a1) A local flood hazard ordinance shall require that the lowest floor of any new
39 structure in the 100-year floodplain and of any existing structure in the 100-year
40 floodplain to which substantial improvement is made shall be a minimum of one foot
41 above base flood elevation unless the local government that has jurisdiction over the
42 structure has, within the previous five years, undertaken a study of base flood elevations
43 and the 100-year floodplain that considered anticipated future development. Areas where

1 no base flood elevation is shown on the current floodplain maps prepared pursuant to the
2 National Flood Insurance Program or approved by the Department are subject to the
3 minimum elevation requirements for participation in the National Flood Insurance
4 Program. A local government ordinance shall not permit the establishment of a use
5 prohibited under G.S. 143-215.54.

6 (b) In prescribing standards and requirements for the issuance of permits under
7 this ~~Part, Part~~ and in issuing ~~such~~ permits, responsible local governments shall proceed as
8 in the case of an ordinance for the better government of the county or municipality, as the
9 case may be. A municipality may exercise the powers granted in this Part not only within
10 its corporate boundaries but also within the area of its extraterritorial zoning jurisdiction.
11 A county may exercise the powers granted in this Part at any place within the county that
12 is outside the zoning jurisdiction of any municipalities—a municipality in the county. If a
13 municipality does not exercise the powers granted in this Part in the municipality's
14 extraterritorial zoning jurisdiction, the county shall exercise the powers granted in this
15 Part in the municipality's extraterritorial zoning jurisdiction. The county may regulate
16 territory within the zoning jurisdiction of any municipality whose governing body, by
17 resolution, agrees to ~~such regulation; provided, however, that any such~~ the regulation. A
18 municipal governing body may, upon one year's written notice, withdraw its approval of
19 the county regulations, and those regulations shall have no further effect within the
20 municipality's jurisdiction.

21 (c) The local governing body is hereby empowered to adopt ~~such~~ regulations ~~as it~~
22 may deem necessary concerning the form, time, and manner of submission of
23 applications for permits under this Part. ~~Such~~ These regulations may provide for the
24 issuance of permits under this Part by the local governing body or by ~~such~~ an agency as
25 ~~may be designated by said~~ the local governing body, as prescribed by the governing body.
26 Every final decision granting or denying a permit under this Part shall be subject to
27 review by the superior court of the county, with the right of jury trial at the election of the
28 party seeking review. The time and manner of election of a jury trial shall be governed by
29 G.S. 1A-1, Rule 38(b) of the Rules of Civil Procedure. Pending the final disposition of
30 ~~any such an~~ appeal, no action shall be taken ~~which~~ that would be unlawful in the absence
31 of a permit issued under this Part.

32 (d) A local government may issue a variance to the elevation requirements set out
33 in this Part only if the variance complies with the requirements for participation in the
34 National Flood Insurance Program.

35 **"§ 143-215.58. Violations and penalties.**

36 (a) Any willful violation of this Part or of any ordinance adopted (or of the
37 provisions of any permit issued) under the authority of this Part shall constitute a Class 1
38 misdemeanor.

39 (a1) A local government may use all of the remedies available for the enforcement of
40 zoning ordinances under Chapters 153A and 160A of the General Statutes to enforce an
41 ordinance adopted pursuant to this Part.

42 (b) Failure to remove any artificial obstruction or enlargement or replacement
43 thereof, that violates this Part or any ordinance adopted (or the provision of any permit

1 issued) under the authority of this Part, shall constitute a separate violation of this Part for
2 each ~~10 days~~ day that ~~such~~ the failure continues after written notice from the county or
3 municipal governing body.

4 (c) In addition to or in lieu of other remedies, the county or municipal governing
5 body may institute any appropriate action or proceeding to restrain or prevent any
6 violation of this Part or of any ordinance adopted (or of the provisions of any permit
7 issued) under the authority of this Part, or to require any person, firm or corporation
8 ~~which that~~ has committed ~~any such a~~ violation to remove a violating obstruction or restore
9 the conditions existing before the placement of the obstruction.

10 **"§ 143-215.59. Other approvals required.**

11 (a) The granting of a permit under the provisions of this Part shall in no way affect
12 any other type of approval required by any other statute or ordinance of the State or any
13 political subdivision of the State, or of the United States, but shall be construed as an
14 added requirement.

15 (b) No permit for the construction of any structure to be located within a ~~floodway~~
16 flood hazard area shall be granted by a political subdivision unless the applicant has first
17 obtained the permit required by this Part.

18 **"§ 143-215.60. Liability for damages.**

19 No action for damages sustained because of injury or property damage caused by ~~an a~~
20 structure or obstruction for which a permit has been granted under this Part shall be
21 brought against the State or any political subdivision of the State, or their employees or
22 agents.

23 **"§ 143-215.61. Floodplain management.**

24 The provisions of this Part shall not preclude the imposition by responsible local
25 governments of land use controls and other regulations in the interest of floodplain
26 management for the floodplain or the floodway."

27 Section 2. A structure or use existing in the 100-year floodplain or for which a
28 building permit was issued prior to adoption of a local ordinance conforming to the
29 requirements of this Part is not in violation of G.S. 143-215.54.

30 Section 3. G.S.159G-10(b)(1) reads as rewritten:

31 "(b) Priority Factors. – All applications for revolving loans or grants under this
32 Chapter eligible for consideration during each priority period shall be assigned a priority
33 for ~~such~~ funds by the receiving agency. The priority factors shall be similar to those
34 developed under the North Carolina Clean Water Bond Act of 1977, as provided in and
35 modified by this subsection.

36 (1) General Criteria. –

37 a. The general criteria provided in 1 NCAC 22.0401 through .0403
38 on January 1, 1987, shall apply, except that 1 NCAC 22.0401(c)
39 shall apply only to State funds appropriated to match available
40 federal funds.

41 b. The existence of a comprehensive land-use plan that meets the
42 requirements of subsection (e) of this section is a general
43 criterion for prioritizing which applicants will receive a loan or

1 grant. An applicant that is not authorized to adopt a
2 comprehensive land-use plan but that is located in whole or in
3 part in a local government unit that has adopted a comprehensive
4 land-use plan shall receive the same priority treatment as an
5 applicant that has authority to adopt a comprehensive land-use
6 plan. A comprehensive land-use plan that meets the requirements
7 of subsection (e) of this section and that exceeds the minimum
8 State standards for protection of water resources shall receive
9 more points than a plan that does not exceed those standards.
10 Additional points may be awarded for actions taken toward
11 implementation of a comprehensive land-use plan. These actions
12 may include the adoption of a zoning ordinance or any other
13 measure that significantly contributes to the implementation of
14 the comprehensive land-use plan.

15 c. The existence of a flood hazard ordinance conforming to the
16 requirements of Part 6 of Article 21 of Chapter 143 of the
17 General Statutes is a general criterion for prioritizing which
18 applicants will receive a loan or a grant. Demonstration, based
19 on the most recent maps prepared pursuant to the National Flood
20 Insurance Program or approved by the Department, that no
21 portion of the applicant's jurisdiction is located within the 100-
22 year floodplain is a general criterion equivalent to the existence
23 of a flood hazard ordinance conforming to the requirements of
24 Part 6 of Article 21 of Chapter 143 of the General Statutes for
25 prioritizing which applicants will receive a loan or a grant.

26"

27 Section 4. Sections 1, 2, and 4 of this act are effective when this act becomes
28 law. Section 3 of this act becomes effective 1 January 2002 and applies to loans and
29 grants made on or after that date.