

**1999 DRAFTING REQUEST**

**Senate Amendment (SA-ASA1-AB133)**

Received: **06/18/99**

Received By: **traderc**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **traderc**

May Contact: **LFB**

Alt. Drafters:

Subject: **Environment - water quality**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus # 2701,

**Topic:**

Safe drinking water loan program

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 06/25/99	wjackson 06/25/99	martykr 06/26/99	_____	lrb_docadmin 06/26/99		

FE Sent For:

<END>

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1/?	traderc	1/1 WLJ 6/25	Kim 6/25	Lab Ch Am 6/25			

FE Sent For:

<END>

yes

SDC

**Agency: Environmental Improvement Fund**

caucus number: 2701

duplicate flag:

duplicate with:

Other reference numbers: Paper 430 alt 2	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Safe Drinking Water Loan Program (Environmental Improvement Fund) Adopt Alt. 2 to Paper 430

other notes:

drafting instructions: Adopt Alt. 2 to Paper 430 which approves the Gov's recommendation as re-estimate to provide \$792,600 in 90-00 & \$1,010,000 in 00-01 for GPR debt service. Provide total project funding of \$50 mil in 99-01 by creating a state revenue bond program component

more instructions:

caucus number: 2726

duplicate flag:

duplicate with:

Other reference numbers: Paper 431	LFB Sum #:
FM 606	
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Private Sewage System Replacement and Rehabilitation Loan and Grant Programs. Delete Motion 606 to Paper 431 which provides highest priority for grants to systems that discharge sewage to Out Resource Waters or to groundwater.

other notes:

drafting instructions: Delete Motion 606 to Paper 431 (see above)

more instructions:

Agency: **Environmental Improvement Fund**

Number of Amendments: 2

CN 2701

**Adopt Alternative 2 to Paper 430, which approves the Governor's recommendation as re-estimate to provide \$792,600 in 1999-00 and \$1,010,000 in 2000-01 for GPR debt service. Provide total project funding of \$50 million during 1999-01 by creating a state revenue bond program component.**



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

April 27, 1999

Joint Committee on Finance

Paper #430

### Safe Drinking Water Loan Program (Environmental Improvement Fund)

[LFB 1999-01 Budget Summary: Page 217, #1(b), #2 and #3(b)]

#### CURRENT LAW

The federal Safe Drinking Water Act (SDWA) Amendments of 1996 created the Drinking Water State Revolving Fund to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The U.S. Environmental Protection Agency (EPA) is authorized to award federal capitalization grants to states, to which the states are required to provide a 20% match in funds. In 1997 Act 27, Wisconsin enacted a state program to comply with federal requirements and provide the state match in the form of general obligation bond proceeds. DNR and DOA jointly administer the program.

The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction or modification of public water systems. A system is a public water system if it provides piped water to the public for human consumption and has at least 15 service connections or regularly serves an average of at least 25 individuals for at least 60 days each year. Loans are provided at 55% of market interest rate or, for local governments that meet certain financial need criteria, at 33% of market interest rate. The program uses 4% of federal grants for administration and 2% for technical assistance to small public water systems (serving 10,000 or fewer people), and funds were also set-aside in 1997-99 for source water assessment, wellhead protection, capacity development and operator certification.

In 1997-99, the program is authorized \$12.13 million in general obligation bond authority to provide the required 20% state match to a federal capitalization grant of \$61 million for federal fiscal years 1997 through 1999.

## **GOVERNOR**

Provide \$3,870,000 in additional general obligation bonding authority for the safe drinking water loan program, which would increase general obligation bonding authority for the program from \$12.13 million to \$16.0 million. Provide a present value subsidy limit of \$5.2 million for the program, which would represent the estimated state cost, in 1998 dollars, to provide 20 years of subsidy for the projects that would be funded in the 1999-01 biennium. Estimate total debt service at \$331,800 GPR annually for the safe drinking water loan program.

## **DISCUSSION POINTS**

1. Funding provided under the bill is based on approximately \$19.5 million in federal grants that are expected to be provided for federal fiscal years 2000 and 2001. The federal grants, in combination with the 20% state match of \$3.87 million in general obligation bonding authority, would provide approximately \$23.4 million for the program during 1999-01. After deducting \$1.1 million for administration and technical assistance for small public water systems, approximately \$22.3 million would be available for loans to municipalities.

2. If the general obligation bonding authority under the bill is not approved, the state would not be able to meet state match requirements needed to accept the federal grants.

3. DNR received 236 intent to apply forms totaling \$530 million by the December 31, 1997, deadline for the first round of funding, which occurred in 1998-99. DNR received 40 applications by the April 30, 1998, deadline totaling \$187.6 million in project needs. In the fall of 1998, the 1998-99 list of fundable projects was established for \$53 million based on the federal fiscal years 1997 and 1998 funding. In the fall of 1999, another \$12 million will be awarded from the federal fiscal year 1999 funding. DNR and DOA are currently finalizing the financial assistance agreements with nine municipalities, seven of which are primarily for refinancing of local obligations incurred after July 1, 1993.

4. In the first funding cycle in the fall of 1998, the program provided funding for most of the projects that applied for funding and had documented existing acute public health risk such as a confirmed waterborne disease outbreak or microbial contamination. The program did not have sufficient funding for all of the expected acute public health risk, for example, projects where it is expected that if additional documentation and testing of the drinking water would be performed, violations of nitrate standards would be found.

5. The 1997 intent to apply forms are valid for two years. DNR received 18 additional intent to apply forms totaling \$18.7 million by December 31, 1998. Applications for the 1999-00 funding cycle are due April 30, 1999, and the funding list will be established in the fall of 1999.

6. Demand is significantly higher than available program funds. In 1997, DNR estimated that statewide needs for drinking water system improvements to comply with SDWA requirements over the next 20 years would exceed \$1.5 billion. It is likely that many of the projects

that were the subject of intent to apply forms and applications in the first year of the program will be ready for construction in the next few years. Some of these projects would be a refinancing of local obligations incurred after July 1, 1993.

7. Current market interest rates of 4.8% would provide interest rates of 2.64% for projects financed at 55% of market rate or 1.58% for projects financed at 33% of market rate, if the projects meet certain financial need criteria.

8. Projects with costs totaling at least \$100 million may be ready to proceed under the program in 1999-00 for new or refinanced projects. Projects for 2000-01 are less certain, but at least \$50 million would be expected.

9. The bill would maximize federal funding available to the state and provide approximately \$22.3 million of safe drinking water loans. A larger safe drinking water loan program could be provided only by providing state subsidies (no federal funds would be leveraged), for example by authorizing a revenue bond component in the program that is similar to the existing clean water fund. Such an expansion would require significant increases in general obligation bonding authority, with associated GPR debt service costs, to pay the costs of the state subsidy of loans (that is, the difference between the revenue bond market interest rate and the lower rate that the state would charge to local governments) and a reserve fund to secure revenue bond issuances.

10. The following table illustrates the additional funding that would be required to increase the size of the safe drinking water loan program to one of the following: (a) \$50 million in total project funding would provide more than twice the funding that the federal program would allow; (b) \$100 million would provide funding for about two-thirds of the minimum demand expected during 1999-01; or (c) \$150 million would provide funding equal to the minimum demand expected during the biennium. Each scenario assumes that approximately 80% of projects would be funded at the 55% of market interest rate and 20% at 33% of market rate. This estimate includes a higher percentage at the lower interest rate than under the bill, because a larger program would potentially provide a higher percentage of loans to economically disadvantaged communities. The table shows the annualized GPR debt service costs associated with the interest subsidies under a state revenue bond program. It also shows the GPR debt service costs that would be incurred in 1999-01. The 1999-01 GPR debt service costs are based on an assumption that the program would issue approximately 40% of the new general obligation bonding authority in 1999-00 and 30% in 2000-01, with the full annualized debt service costs beginning in the 2001-03 biennium.

<u>Funding</u>	<u>\$50 million Project Funding</u>	<u>\$100 million Project Funding</u>	<u>\$150 million Project Funding</u>
Federal Program*	\$22,300,000	\$22,300,000	\$22,300,000
Additions to Governor's recommendation:			
-State Revenue Bonding Authority	27,700,000	77,700,000	127,700,000
-General Obligation Bonding Authority	10,210,000	28,570,000	46,930,000
-Present Value Subsidy Limit	7,400,000	19,900,000	32,500,000
-1999-01 GPR Debt Service Cost	540,000	1,500,000	2,480,000
-Annualized GPR Debt Service	850,000	2,390,000	3,930,000

\*Includes \$3,870,000 in state matching funds provided under the bill.

11. Some would argue that the program should be expanded to provide a state subsidy for additional loans to local governments. Municipalities will be required to incur significant costs to construct or modify drinking water systems to meet federal Safe Drinking Water Act standards over the next several years. The SDWA directs EPA to establish drinking water standards for various substances over more than ten years and provides states with flexibility in developing state programs to meet national drinking water standards as they are developed. Some municipalities may have drinking water supplies that pose public health risks (acute or long-term) to people who drink the water. Under this argument, because federal funds are limited, the state should provide subsidies for local drinking water project costs in order to assist municipalities in complying with federal requirements and addressing public health risks.

12. Others would argue that the safe drinking water loan program should not be expanded beyond the state match necessary to access federal grants. While the state has to spend \$1 to leverage \$5 in federal grants, a larger program would be solely funded from state funds and, eventually, loan repayments from loans to municipalities. It could be argued that the federal government should have the primary role in assisting local governments in meeting federal mandates. Further, local drinking water projects have historically been funded by the municipality. Under this argument, the existing federal grants and state matching funds would be used for projects with the highest priority scores, for example to address an acute public health risk such as a confirmed waterborne disease outbreak or microbial contamination. Lower priority projects would continue to be funded by municipalities.

13. The bill underestimates the amount of GPR debt service that would be incurred for the safe drinking water loan program for the \$12.13 million in general obligation bonds that have been issued under the program (an additional \$1,372,400 GPR in the biennium for debt service) and the \$3.87 million provided in the bill (\$430,200 GPR). Debt service for the program under the bill would require an additional \$792,600 GPR in 1999-00 and \$1,010,000 GPR in 2000-01.



**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$3,870,000 in additional general obligation bonding authority and a present value subsidy limit of \$5,200,000 in 1999-01 to fund a \$22.3 million federal safe drinking water loan program in the biennium. In addition, provide \$792,600 in 1999-00 and \$1,010,000 in 2000-01 to reestimate GPR debt service under the bill.

<u>Alternative 1</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	\$1,802,600

2. Approve the Governor's recommendation as reestimated to provide \$792,600 in 1999-00 and \$1,010,000 in 2000-01 for GPR debt service under the bill. In addition, provide total project funding of approximately \$50 million during 1999-01 by creating a state revenue bond program component that includes the following provisions: (a) authorize \$27,700,000 in revenue bond authority for safe drinking water loans; (b) increase general obligation bonding authority by \$10,210,000; (c) increase the present value subsidy limit for 1999-01 by \$7,400,000; and (d) provide \$110,000 GPR in 1999-00 and \$430,000 GPR in 2000-01 for estimated debt service costs associated with the additional general obligation bonds.

<u>Alternative 2</u>	<u>GPR</u>	<u>BR-GO</u>	<u>BR-REV</u>
1999-01 BONDING (Change to Bill)		\$10,210,000	\$27,700,000
1999-01 FUNDING (Change to Bill)	\$2,342,600		

3. Approve the Governor's recommendation as reestimated to provide \$792,600 in 1999-00 and \$1,010,000 in 2000-01 for GPR debt service under the bill. In addition, provide total project funding of approximately \$100 million during 1999-01 by creating a state revenue bond program component that includes the following provisions: (a) authorize \$77,700,000 in revenue bond authority for safe drinking water loans; (b) increase general obligation bonding authority by \$28,570,000; (c) increase the present value subsidy limit for 1999-01 by \$19,900,000; and (d) provide \$310,000 GPR in 1999-00 and \$1,190,000 GPR in 2000-01 for estimated debt service costs associated with the additional general obligation bonds.

<u>Alternative 3</u>	<u>GPR</u>	<u>BR-GO</u>	<u>BR-REV</u>
1999-01 BONDING (Change to Bill)		\$28,570,000	\$77,700,000
1999-01 FUNDING (Change to Bill)	\$3,302,600		

4. Approve the Governor's recommendation as reestimated to provide \$792,600 in 1999-00 and \$1,010,000 in 2000-01 for GPR debt service under the bill. In addition, provide total project funding of approximately \$150 million during 1999-01 by creating a state revenue bond program component that includes the following provisions: (a) authorize \$127,700,000 in revenue bond authority for safe drinking water loans; (b) increase general obligation bonding authority by

\$46,930,000 to provide total authority of \$62,930,000; (c) increase the present value subsidy limit for 1999-01 by \$32,500,000; and (d) provide \$520,000 GPR in 1999-00 and \$1,960,000 GPR in 2000-01 for estimated debt service costs associated with the additional general obligation bonds.

<u>Alternative 4</u>	<u>GPR</u>	<u>BR-GO</u>	<u>BR-REV</u>
1999-01 BONDING (Change to Bill)		\$46,930,000	\$127,700,000
1999-01 FUNDING (Change to Bill)	\$4,282,600		

5. Maintain current law and provide \$686,200 GPR annually for reestimated debt service costs for the current law program.

<u>Alternative 5</u>	<u>GPR</u>	<u>BR-GO</u>
1999-01 BONDING (Change to Bill)		-\$3,870,000
1999-01 FUNDING (Change to Bill)	\$1,372,400	

Prepared by: Kendra Bonderud

*Decker motion for  
Breake on Hatlers*



State of Wisconsin  
1999 - 2000 LEGISLATURE

5000

LRBb0744/1  
RCT:.....  
WJ

SDC:.....Walter - Caucus # 2701, Safe drinking water loan program  
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION  
LFB AMENDMENT  
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

ONE

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 √ 1. Page 311, line 24: after "issued" insert "for the clean water fund program
- 3 or the urban storm water loan program".
- 4 √ 2. Page 312, line 6: after that line insert:
- 5 "SECTION 303pm. 20.320 (1) (r) of the statutes is amended to read:
- 6 20.320 (1) (r) *Clean water fund program repayment of revenue obligations.*
- 7 From the environmental improvement fund, a sum sufficient to repay the fund in the
- 8 state treasury created under s. 18.57 (1) the amount needed to retire revenue
- 9 obligations issued for the clean water fund program or the urban storm water loan
- 10 program under subch. II or IV of ch. 18, as authorized under s. 281.59 (4)." Ⓞ
- 11 3. Page 312, line 21: after that line insert:

History: 1989 a. 366 ss. 16, 19 to 21, 27 to 30; 1991 a. 39; 1993 a. 16; 1995 a. 27, 216, 227; 1997 a. 27, 35, 237, 252.

1           “SECTION 303t. 20.320 (1) (u) of the statutes is amended to read:  
 2           20.320 (1) (u) *Principal repayment and interest — clean water fund program*  
 3 *revenue obligation repayment.* From the fund in the state treasury created under s.  
 4 18.57 (1), all moneys received by the fund and not transferred under s. 281.59 (4) (c)  
 5 to the environmental improvement fund, for the purpose of the retirement of revenue  
 6 obligations, providing for reserves and for operations relating to the management  
 7 and retirement of revenue obligations issued for the clean water fund program or the  
 8 urban storm water loan program under subch. II or IV of ch. 18, as authorized under  
 9 s. 281.59 (4). All moneys received are irrevocably appropriated in accordance with  
 10 subch. II of ch. 18 and further established in resolutions authorizing the issuance of  
 11 the revenue obligations and setting forth the distribution of funds to be received  
 12 thereafter.”

History: 1989 a. 366 ss. 16, 19 to 21, 27 to 30; 1991 a. 39; 1993 a. 16; 1995 a. 27, 216, 227; 1997 a. 27, 35, 237, 252.

13           4. Page 313, line 5: after that line insert:

14           “SECTION 303t. 20.320 (2) (q) of the statutes is created to read:  
 15           20.320 (2) (q) *Safe drinking water loan program revenue obligation funding.*  
 16 As a continuing appropriation, all proceeds from revenue obligations issued for the  
 17 safe drinking water loan program under subch. II or IV of ch. 18, as authorized under  
 18 s. 281.59 (4) and deposited in the fund in the state treasury created under s. 18.57  
 19 (1), providing for reserves and for expenses of issuance and management of the  
 20 revenue obligations, and the remainder to be transferred to the environmental  
 21 improvement fund for the purposes of the safe drinking water loan program under  
 22 s. 281.61. Estimated disbursements under this paragraph shall not be included in  
 23 the schedule under s. 20.005.

24           SECTION 303w. 20.320 (2) (r) of the statutes is created to read:

1           20.320 (2) (r) *Safe drinking water loan program repayment of revenue*  
 2 *obligations.* From the environmental improvement fund, a sum sufficient to repay  
 3 the fund in the state treasury created under s. 18.57 (1) the amount needed to retire  
 4 revenue obligations issued for the safe drinking water loan program under subch. II  
 5 or IV of ch. 18, as authorized under s. 281.59 (4).

6           SECTION 303<sup>2</sup> 20.320 (2) (u) of the statutes is created to read:

7           20.320 (u) *Principal repayment and interest — safe drinking water loan*  
 8 *program revenue obligation repayment.* From the fund in the state treasury created  
 9 under s. 18.57 (1), all moneys received by the fund and not transferred under s.  
 10 281.59 (4) (c) to the environmental improvement fund, for the purpose of the  
 11 retirement of revenue obligations, providing for reserves and for operations relating  
 12 to the management and retirement of revenue obligations issued for the safe  
 13 drinking water loan program under subch. II or IV of ch. 18, as authorized under s.  
 14 281.59 (4). All moneys received are irrevocably appropriated in accordance with  
 15 subch. II of ch. 18 and further established in resolutions authorizing the issuance of  
 16 the revenue obligations and setting forth the distribution of funds to be received  
 17 thereafter."

18           √ 5. Page 1245, line 7: delete "and the" and substitute ", the".

19           √ 6. Page 1245, line 8: after "loan program" insert "and the safe drinking water  
 20 loan program".

21           √ 7. Page 1245, line 12: delete "or the" and substitute ", the".

22           √ 8. Page 1245, line 13: after "program" insert "or the safe drinking water loan  
 23 program".

1           √9. Page 1246, line 7: after “loan program” insert “plus the amounts required  
2           to be paid under s. 20.320 (2) (c) and (u) for the safe drinking water loan program”.

3           10. Page 1246, line 10: after that line insert:

4           “SECTION 2510m. 281.59 (4) (f) of the statutes is amended to read:

5           281.59 (4) (f) Revenue obligations may be contracted by the building  
6           commission when it reasonably appears to the building commission that all  
7           obligations incurred under this subsection can be fully paid on a timely basis from  
8           moneys received or anticipated to be received. Revenue obligations issued under this  
9           subsection for the clean water fund program and the urban storm water loan  
10          program shall not exceed \$1,297,755,000 in principal amount, excluding obligations  
11          issued to refund outstanding revenue obligation notes. Revenue obligations issued  
12          under this subsection for the safe drinking water loan program shall not exceed  
13          \$27,700,000 in principal amount, excluding obligations issued to refund outstanding  
14          revenue obligation notes. 16

History: 1989 a. 366 ss. 40, 63, 65, 66, 97, 99, 106, 108 to 110, 115; 1991 a. 32, 39, 189, 315; 1993 a. 16; 1995 a. 27; 1995 a. 227 s. 426; Stats. 1995 s. 281.59; 1995 a. 452; 1997 a. 27, 237.

(END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0744/1dn

RCT/.....

WLJ

✓ This draft corresponds to Caucus # 2701. It provides revenue bonding authority for the Safe Drinking water Loan Program. This is a very technical area. I suggest that you ask Kendra Bonderud of the LFB and Michael Wolff of DOA to review the draft. I am particularly uncertain about whether the item for page 1246, line 7 is correct.

Rebecca C. Tradewell  
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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb0744/1dn  
RCT:wlj:km

June 25, 1999

This draft corresponds to Caucus # 2701. It provides revenue bonding authority for the Safe Drinking Water Loan Program. This is a very technical area. I suggest that you ask Kendra Bonderud of the LFB and Michael Wolff of DOA to review the draft. I am particularly uncertain about whether the item for page 1246, line 7 is correct.

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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0744/1  
RCT:wlj:km

SDC:.....Walter – Caucus # 2701, Safe drinking water loan program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**LFB AMENDMENT**

**TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 311, line 24: after “issued” insert “for the clean water fund program  
3 or the urban storm water loan program”.

4 **2.** Page 312, line 6: after that line insert:

5 “**SECTION 303pm.** 20.320 (1) (r) of the statutes is amended to read:

6 20.320 (1) (r) *Clean water fund program repayment of revenue obligations.*

7 From the environmental improvement fund, a sum sufficient to repay the fund in the  
8 state treasury created under s. 18.57 (1) the amount needed to retire revenue  
9 obligations issued for the clean water fund program or the urban storm water loan  
10 program under subch. II or IV of ch. 18, as authorized under s. 281.59 (4).”.

11 **3.** Page 312, line 21: after that line insert:

1           **SECTION 303t.** 20.320 (1) (u) of the statutes is amended to read:

2           20.320 (1) (u) *Principal repayment and interest — clean water fund program*  
3 *revenue obligation repayment.* From the fund in the state treasury created under s.  
4 18.57 (1), all moneys received by the fund and not transferred under s. 281.59 (4) (c)  
5 to the environmental improvement fund, for the purpose of the retirement of revenue  
6 obligations, providing for reserves and for operations relating to the management  
7 and retirement of revenue obligations issued for the clean water fund program or the  
8 urban storm water loan program under subch. II or IV of ch. 18, as authorized under  
9 s. 281.59 (4). All moneys received are irrevocably appropriated in accordance with  
10 subch. II of ch. 18 and further established in resolutions authorizing the issuance of  
11 the revenue obligations and setting forth the distribution of funds to be received  
12 thereafter.”.

13           **4.** Page 313, line 5: after that line insert:

14           **SECTION 303w.** 20.320 (2) (q) of the statutes is created to read:

15           20.320 (2) (q) *Safe drinking water loan program revenue obligation funding.*

16 As a continuing appropriation, all proceeds from revenue obligations issued for the  
17 safe drinking water loan program under subch. II or IV of ch. 18, as authorized under  
18 s. 281.59 (4) and deposited in the fund in the state treasury created under s. 18.57  
19 (1), providing for reserves and for expenses of issuance and management of the  
20 revenue obligations, and the remainder to be transferred to the environmental  
21 improvement fund for the purposes of the safe drinking water loan program under  
22 s. 281.61. Estimated disbursements under this paragraph shall not be included in  
23 the schedule under s. 20.005.

24           **SECTION 303x.** 20.320 (2) (r) of the statutes is created to read:

1           20.320 (2) (r) *Safe drinking water loan program repayment of revenue*  
2 *obligations.* From the environmental improvement fund, a sum sufficient to repay  
3 the fund in the state treasury created under s. 18.57 (1) the amount needed to retire  
4 revenue obligations issued for the safe drinking water loan program under subch. II  
5 or IV of ch. 18, as authorized under s. 281.59 (4).

6           **SECTION 303y.** 20.320 (2) (u) of the statutes is created to read:

7           20.320 (2) (u) *Principal repayment and interest — safe drinking water loan*  
8 *program revenue obligation repayment.* From the fund in the state treasury created  
9 under s. 18.57 (1), all moneys received by the fund and not transferred under s.  
10 281.59 (4) (c) to the environmental improvement fund, for the purpose of the  
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17 thereafter.”.

18           **5.** Page 1245, line 7: delete “and the” and substitute “, the”.

19           **6.** Page 1245, line 8: after “loan program” insert “and the safe drinking water  
20 loan program”.

21           **7.** Page 1245, line 12: delete “or the” and substitute “, the”.

22           **8.** Page 1245, line 13: after “program” insert “or the safe drinking water loan  
23 program”.

1       **9.** Page 1246, line 7: after “loan program” insert “plus the amounts required  
2       to be paid under s. 20.320 (2) (c) and (u) for the safe drinking water loan program”.

3       **10.** Page 1246, line 10: after that line insert:

4       **“SECTION 2510m.** 281.59 (4) (f) of the statutes is amended to read:

5       281.59 (4) (f) Revenue obligations may be contracted by the building  
6       commission when it reasonably appears to the building commission that all  
7       obligations incurred under this subsection can be fully paid on a timely basis from  
8       moneys received or anticipated to be received. Revenue obligations issued under this  
9       subsection for the clean water fund program and the urban storm water loan  
10      program shall not exceed \$1,297,755,000 in principal amount, excluding obligations  
11      issued to refund outstanding revenue obligation notes. Revenue obligations issued  
12      under this subsection for the safe drinking water loan program shall not exceed  
13      \$27,700,000 in principal amount, excluding obligations issued to refund outstanding  
14      revenue obligation notes.”

15                                   (END)