



2009 SENATE BILL 664

April 5, 2010 - Introduced by Senators MILLER and KREITLOW, cosponsored by Representatives POCAN and DEXTER. Referred to Committee on Environment.

- 1 **AN ACT relating to:** financial assistance under the Clean Water Fund Program
2 and the Safe Drinking Water Loan Program.

Analysis by the Legislative Reference Bureau

Under the Clean Water Fund Program, this state provides financial assistance to local governmental units for projects to control water pollution, including sewage treatment plants, using state and federal funds. One form of financial assistance provided under the Clean Water Fund Program is a loan at a subsidized interest rate. The Clean Water Fund Program also provides grants to local governmental units that satisfy financial hardship criteria.

The federal act that appropriated money for the federal Environmental Protection Agency for federal fiscal year 2010 (federal 2010 appropriations act) provides additional funds for state programs like the Clean Water Fund Program. This bill authorizes those funds to be expended under the Clean Water Fund Program. The federal 2010 appropriations act requires states to use a portion of the funds to increase the amount of subsidy provided to recipients of financial assistance in the form of forgiveness of principal of a loan, negative interest loans, or grants. This bill requires the increased subsidy to be provided in the form of forgiveness of part of the principal of a loan.

Under the Safe Drinking Water Loan Program, this state provides loans to local governmental units for projects for the construction or modification of public water systems, using state and federal funds. The loans are provided at subsidized interest rates.

The federal 2010 appropriations act provides additional funds for state programs like the Safe Drinking Water Loan program. This bill authorizes those

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funds to be expended under the Safe Drinking Water Loan Program. The federal 2010 appropriations act requires states to use a portion of the funds to increase the amount of subsidy provided to recipients of financial assistance in the form of forgiveness of principal of a loan, negative interest loans, or grants. This bill requires the increased subsidy to be provided in the form of forgiveness of part of the principal of a loan.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1. Nonstatutory provisions.**

2 (1) FEDERAL FISCAL YEAR 2010 APPROPRIATIONS ACT FUNDING FOR CLEAN WATER FUND
3 PROJECTS.

4 (a) If this state receives moneys under P.L. 111–88 as a capitalization grant for
5 clean water state revolving funds under the Federal Water Pollution Control Act, the
6 department of natural resources and the department of administration may, as
7 provided in this subsection, allocate the funds, before December 31, 2011, for
8 financial assistance to municipalities, as defined in section 281.59 (1) (c) of the
9 statutes, under section 281.58 of the statutes for projects eligible to receive financial
10 assistance under that section.

11 (b) The department of natural resources and the department of administration
12 shall provide additional subsidy under this subsection to municipalities in the
13 amount that P.L. 111–88 requires to be used to provide additional subsidy. The
14 department of natural resources and the department of administration shall provide
15 additional subsidy to a municipality in the form of forgiveness of part of the principal
16 of a loan made to the municipality, notwithstanding the limits in section 281.58 (6)

17 (b) of the statutes on the methods that may be used to provide financial assistance.
18 The department of natural resources may establish a percentage limit of the amount

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1 of the principal forgiveness available under this paragraph that may be received by
2 any municipality.

3 (c) The department of natural resources may establish a deadline for
4 submitting applications for financial assistance under this subsection.

5 (d) In selecting the projects to receive financial assistance under this
6 subsection, and the terms of the financial assistance, the department of natural
7 resources may consider any of the following:

8 1. The population of the municipality in which a project would be located.

9 2. The median household income, as defined in section 281.58 (1) (cm) of the
10 statutes, of the municipality in which a project would be located.

11 3. The extent to which a project promotes water efficiency or energy efficiency;
12 is environmentally innovative; or uses natural systems or engineered systems that
13 mimic natural processes, also called green infrastructure.

14 (e) Notwithstanding section 227.10 (1) of the statutes, the department of
15 natural resources and the department of administration are not required to
16 promulgate rules for the purposes of this subsection.

17 (2) FEDERAL FISCAL YEAR 2010 APPROPRIATIONS ACT FUNDING FOR SAFE DRINKING
18 WATER LOAN PROGRAM PROJECTS.

19 (a) If this state receives moneys under P.L. 111-88 as a capitalization grant for
20 drinking water state revolving loan funds under the federal Safe Drinking Water
21 Act, the department of natural resources and the department of administration may,
22 as provided in this subsection, allocate the funds, before December 31, 2011, for
23 financial assistance to local governmental units, as defined in section 281.61 (1) (a)
24 of the statutes, under section 281.61 of the statutes for projects eligible to receive
25 financial assistance under that section. Notwithstanding section 281.59 (3s) (a) of

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1 the statutes, the department of administration may, until December 30, 2011,
2 allocate amounts approved for the 2009–11 biennium under section 281.59 (3s) (b)
3 1. of the statutes for projects under this subsection.

4 (b) The department of natural resources and the department of administration
5 shall provide additional subsidy under this subsection to local governmental units
6 in the amount that P.L. 111–88 requires to be used to provide additional subsidy. The
7 department of natural resources and the department of administration shall provide
8 additional subsidy to a local governmental unit in the form of forgiveness of part of
9 the principal of a loan made to the local governmental unit, notwithstanding the
10 limits in section 281.61 (2r) of the statutes on the methods that may be used to
11 provide financial assistance. The department of natural resources may establish a
12 percentage limit of the amount of the principal forgiveness available under this
13 paragraph that may be received by any local governmental unit.

14 (c) The department of natural resources may establish a different deadline for
15 submitting applications for financial assistance under this subsection than the
16 deadline in section 281.61 (5) of the statutes.

17 (d) In selecting the projects to receive financial assistance under this
18 subsection, and the terms of the financial assistance, the department of natural
19 resources may consider any of the following:

20 1. The population of the local governmental unit in which a project would be
21 located.

22 2. The median household income, as defined in section 281.58 (1) (cm) of the
23 statutes, of the local governmental unit in which a project would be located.

