

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/12/99**

Received By: **traderc**

Wanted: **As time permits**

Identical to LRB:

For: **Alice Clausing (608) 266-7745**

By/Representing: **Randy Romanski**

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

Drafter: **traderc**

May Contact: **DNR**

Alt. Drafters:

Subject: **Environment - water quality**

Extra Copics:

**Pre Topic:**

No specific pre topic given

**Topic:**

Limit amount that one applicant can get under 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 01/25/99	ptellez 01/26/99	martykr 01/27/99	_____	lrb_docadmin 01/27/99	lrb_docadminLocal 02/18/99	

FE Sent For:

*03-02-99*

<END>

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1?	traderc	1/11/99	1/25/99	dm/27	dm/27		

FE Sent For:

<END>

1. Safe Drinking Water Loan 25%  
Limitation

1999-2001

**DRAFT**

LEGISLATIVE PROPOSAL

Date: September 1, 1998

To: Elizabeth Kleusner, Assistant Legislative Liaison - AD/5

Bureau of Community Financial Assistance

Division of Customer Assistance and External Relations

Bureau Contact: Bob Ramharter

*DOA - OK*

1. Problem/Issue

The current statute specifies that no single Safe Drinking Water loan recipient may receive more than 25% of the present value subsidy authorized for the biennium. The intent of this section was to limit the amount of funds a single applicant could receive to 25% of the funds available in any year. Since the present value subsidy is authorized via statute before the actual amount of available funding is established, 25% of the present value subsidy is not the same as 25 % of the available funds. Additionally, under the current law, any single loan recipient can claim 50% of a single year fund's while still meeting the statutory limitation of 25% of the biennium's authorized funding.

2. Description of legislation

Modify the section of Chapter 281 to state that no single applicant for a Safe Drinking Water loan may receive more than 25% of the available funding or the authorized present value subsidy in a fiscal year, whichever is less.

3. Background

The 25% limitation was originally intended to ensure that larger municipalities did not capture an inordinate share of the available loan funds. The concept of the original proposal was to limit a single applicant to no more than 25 % of the funding available in any given year. DOA changed the limit to 25% of the present value subsidy in a biennium, apparently in an effort to be consistent with financial controls imposed on the parallel Clean Water Fund program.

This provision became problematic with the first year's allocation of funding. The statute authorized \$21 million in present value subsidy based on an expectation of capitalization grants which was substantially higher than the grants actually received. As a result, Milwaukee was eligible for 25% of the present value subsidy which, when converted into loan dollars, represented almost half of the funds available for loans.

4. Past Legislation

The Safe Drinking Water loan program was authorized in 1997 Act 27. The Department's initial request for the Safe Drinking Water loan program statutory language was for "25% of the available funds in each year". The Governor's budget used the "25% of the present value subsidy for the biennium" limitation. In our comments Legislative Fiscal Bureau on the Governor's budget, we suggested changing the limitation to "available funding in the biennium", but the original language was retained in the final bill.

5. Land Use Impacts: None

6. Fiscal Estimate: None



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1719/1

Ret: pjt

(Elksh)

1999 BILL

Note

1 AN ACT <sup>gen. cat.</sup> relating to: the amount of funding that a local governmental unit may  
2 receive under the safe drinking water loan program.

*Analysis by the Legislative Reference Bureau*

Currently, 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. Under current law, in any biennium, no local governmental unit may receive more than 25% of the amount of the safe drinking water loan program subsidy available in ~~the~~ biennium. that

Under this bill, in any fiscal year, no local governmental unit may receive more than 25% of the safe drinking water funding available in that fiscal year.

[Insert FE-L] →

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

3 SECTION 1. 281.61 (8) (a) 2. of the statutes is amended to read:

4 281.61 (8) (a) 2. In any ~~biennium~~ fiscal year, no local governmental unit may  
5 receive more than 25% of the ~~amount established under s. 281.59 (3s) (b) funds~~  
6 available for that ~~biennium~~ fiscal year

History: 1997 a. 27.

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

LRB-1719/1dn  
RCT: *pat*

The state funding for the safe drinking water loan program is not really provided on a fiscal year basis, so it may be difficult to say how much funding is legally available in a given year.

Rebecca C. Tradewell  
Managing Attorney  
266-7290

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

LRB-1719/1dn  
RCT:pgt&ksh:km

January 27, 1999

The state funding for the safe drinking water loan program is not really provided on a fiscal year basis, so it may be difficult to say how much funding is legally available in a given year.

Rebecca C. Tradewell  
Managing Attorney  
266-7290

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU**  
**Legal Section Telephone: 266-3561**  
**5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

**Date:** 1/27/99

**To:** Senator Clausing

**Relating to LRB drafting number:** LRB-1719

**Topic**

Limit amount that one applicant can get under safe drinking water loan program

**Subject(s)**

Environment - water quality

1. **JACKET** the draft for introduction

Alice Clausing

in the **Senate**  or the **Assembly**  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Rebecca C. Tradewell, Managing Attorney  
Telephone: (608) 266-7290