



State of Wisconsin
1999 - 2000 LEGISLATURE
5000

LRBb0310/1
RCT:cmh:mrc

RMR

LFB:.....Schug - Environmental improvement fund urban storm water loan program

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

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Insert
1-1

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 122, line 10: after that line insert:
- 3 "SECTION 3f. 13.48 (26) of the statutes is amended to read:
- 4 13.48 (26) ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE PLAN APPROVAL. The
- 5 building commission shall review the versions of the biennial finance plan and any
- 6 amendments to the biennial finance plan submitted to it by the department of
- 7 natural resources and the department of administration under s. 281.59 (3) (bm) and
- 8 the recommendations of the joint committee on finance and the standing committees
- 9 to which the versions of the biennial finance plan and any amendments were
- 10 submitted under s. 281.59 (3) (bm). The building commission shall consider the
- 11 extent to which that version of the biennial finance plan that is updated to reflect the

1 adopted biennial budget act will maintain the funding for the clean water fund
2 program and the safe drinking water loan program, in the environmental
3 improvement fund, in perpetuity. The building commission shall consider the extent
4 to which the implementation of the clean water fund program, the safe drinking
5 water loan program, the urban storm water loan program and the land recycling loan
6 program, as set forth in the biennial finance plan updated to reflect the adopted
7 biennial budget act, implements legislative intent on the clean water fund program,
8 the safe drinking water loan program, the urban storm water loan program and the
9 land recycling loan program. The building commission shall, no later than 60 days
10 after the date of enactment of the biennial budget act, either approve or disapprove
11 the biennial finance plan that is updated to reflect the adopted biennial budget act,
12 except that the building commission may not disapprove those amounts that the
13 legislature approves under s. 281.59 (3e) (a), (3m) (a) ~~and~~, (3s) (a) and (3v) (a). If the
14 building commission disapproves the version of the biennial finance plan that is
15 updated to reflect the adopted biennial budget act, it must notify the department of
16 natural resources and the department of administration of its reasons for
17 disapproving the plan, and those departments must revise that version of the
18 biennial finance plan and submit the revision to the building commission.”.

19 **2.** Page 401, line 9: after that line insert:

20 **“SECTION 303m.** 20.320 (1) (c) of the statutes is amended to read:

21 20.320 (1) (c) *Principal repayment and interest — clean water fund program.*

22 A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and
23 interest costs incurred in transferring moneys from s. 20.866 (2) (tc) to the

1 environmental improvement fund for the purposes of the clean water fund program
 2 under s. 281.58 and the urban storm water loan program under s. 281.595.

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Insert

3-2

3 **SECTION 303q.** 20.320 (1) (s) of the statutes is amended to read:

4 20.320 (1) (s) *Clean water fund program financial assistance.* From the
 5 environmental improvement fund, a sum sufficient for the purposes of providing
 6 clean water fund program financial assistance under s. 281.58 and urban storm
 7 water loan program assistance under s. 281.595.

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Insert

3-7

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

9 20.320 (1) (x) *Clean water fund program financial assistance; federal.* From
 10 the clean water fund program federal revolving loan fund account in the
 11 environmental improvement fund, all moneys received from the federal government
 12 to provide financial assistance under the clean water fund program under s. 281.58
 13 and under the urban storm water loan program under s. 281.595, as authorized by
 14 the governor under s. 16.54, except moneys appropriated under par. (y), for financial
 15 assistance under the clean water fund program under s. 281.58 and under the urban
 16 storm water loan program under s. 281.595.”.

17 **3.** Page 404, line 16: after that line insert:

18 “**SECTION 318g.** 20.370 (4) (mt) of the statutes is amended to read:

19 20.370 (4) (mt) *General program operations — environmental improvement*
 20 *programs; state funds.* From the environmental improvement fund, the amounts in
 21 the schedule for general program operations under s. 281.58, 281.59, 281.595,
 22 281.60, 281.61 or 281.62.

23 **SECTION 318j.** 20.370 (4) (mx) of the statutes is amended to read:

1 20.370 (4) (mx) *General program operations — clean water fund program;*
2 *federal funds.* As a continuing appropriation, from the clean water fund program
3 federal revolving loan fund account in the environmental improvement fund, the
4 amounts in the schedule for general program operations of the clean water fund
5 program and the urban storm water loan program under ~~s. ss. 281.58 or, 281.59~~ and
6 281.595.”.

7 **4.** Page 409, line 14: after that line insert:

8 “**SECTION 341h.** 20.370 (9) (mt) of the statutes is amended to read:

9 20.370 (9) (mt) *Aids administration — environmental improvement programs;*
10 *state funds.* From the environmental improvement fund, the amounts in the
11 schedule for the administration of ss. 281.58, ~~280.60~~ 281.595, 281.60, 281.61 and
12 281.62.

13 **SECTION 341k.** 20.370 (9) (mx) of the statutes is amended to read:

14 20.370 (9) (mx) *Aids administration — clean water fund program; federal*
15 *funds.* From the clean water fund program federal revolving loan fund account in
16 the environmental improvement fund, all moneys received from the federal
17 government to administer the clean water fund program and the urban storm water
18 loan program, as authorized by the governor under s. 16.54, for the administration
19 of the clean water fund program and the urban storm water loan program under ~~s.~~
20 ss. 281.58 or, 281.59 and 281.595.”.

21 **5.** Page 454, line 4: after that line insert:

22 “**SECTION 528t.** 20.505 (1) (v) of the statutes is amended to read:

23 20.505 (1) (v) *General program operations — environmental improvement*
24 *programs; state funds.* From the environmental improvement fund, the amounts in

1 the schedule for general program operations under s. 281.58, 281.59, 281.595, 281.60
2 or 281.61.

3 **SECTION 528v.** 20.505 (1) (x) of the statutes is amended to read:

4 20.505 (1) (x) *General program operations — clean water fund program; federal*
5 *funds.* As a continuing appropriation, from the clean water fund program federal
6 revolving loan fund account in the environmental improvement fund, the amounts
7 in the schedule for general program operations of the clean water fund program and
8 the urban storm water loan program under s. ~~ss.~~ 281.58 ~~or~~, 281.59 and 281.595.”.

9 **6.** Page 467, line 16: after that line insert:

10 “**SECTION 593m.** 20.536 (1) (ka) of the statutes is amended to read:

11 20.536 (1) (ka) *General program operations; environmental improvement fund.*
12 All moneys received for providing services to the department of administration or the
13 department of natural resources in administering ss. 25.43, 281.58, 281.59, 281.595,
14 281.60, 281.61 and 281.62, for general program operations.”.

15 **7.** Page 474, line 19: after that line insert:

16 “**SECTION 629s.** 20.866 (2) (tc) of the statutes is amended to read:

17 20.866 (2) (tc) *Clean water fund program.* From the capital improvement fund,
18 a sum sufficient for the purpose of s. 281.57 (10m) and to be transferred to the
19 environmental improvement fund for the purposes of the clean water fund program
20 and the urban storm water loan program under ss. 281.58 and, 281.59 and 281.595.

21 The state may contract public debt in an amount not to exceed ~~\$552,743,200~~
22 \$556,843,200 for this purpose. Of this amount, the amount needed to meet the
23 requirements for state deposits under 33 USC 1382 is allocated for those deposits.
24 Of this amount, \$8,250,000 is allocated to fund the minority business development

1 and training program under s. 66.905 (2) (b). Moneys from this appropriation
2 account may be expended for the purpose of s. 281.57 (10m) only in the amount by
3 which the department of natural resources and the department of administration
4 determine that moneys available under par. (tn) are insufficient for the purpose for
5 s. 281.57 (10m).”

6 **8.** Page 499, line 21: after that line insert:

7 “**SECTION 706q.** 25.43 (1) (h) of the statutes is amended to read:

8 25.43 (1) (h) The fees imposed under ss. 281.58 (9) (d), 281.595 (11m) and
9 281.60 (11m).

10 **SECTION 706s.** 25.43 (2) (c) of the statutes is amended to read:

11 25.43 (2) (c) The department of administration may establish and change
12 accounts in the environmental improvement fund other than those under pars. (a),
13 (ae), (am) and (b). The department of administration shall consult the department
14 of natural resources before establishing or changing an account that is needed to
15 administer the programs under ss. 281.58, 281.59, 281.595 and ~~ex~~ 281.61.”

16 **9.** Page 500, line 2: after “281.59,” insert “281.595.”

17 **10.** Page 826, line 7: before “281.60” insert “281.595.”

18 **11.** Page 1152, line 18: after that line insert:

19 **SECTION 2495p.** 281.58 (7) (b) 5. of the statutes is repealed.”

20 **12.** Page 1153, line 21: after that line insert:

21 **SECTION 2502v.** 281.58 (12) (a) 2. of the statutes is repealed.”

22 **13.** Page 1154, line 1: after that line insert:

23 **SECTION 2504e.** 281.58 (12) (f) of the statutes is amended to read:

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Insert
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1 281.58 (12) (f) The department and the department of administration jointly
2 may request the joint committee on finance to take action under s. 13.101 (11) to
3 modify the percentage of market interest rates established in par. (a) 1. ~~to~~ or 3.

4 **SECTION 2504p.** 281.59 (1) (d) (intro.) of the statutes is amended to read:

5 281.59 (1) (d) (intro.) “Subsidy” means the amounts provided from the
6 environmental improvement fund to clean water fund program, safe drinking water
7 loan program, urban storm water loan program and land recycling loan program
8 projects for the following purposes:

9 **SECTION 2504q.** 281.59 (1) (d) 1. of the statutes is amended to read:

10 281.59 (1) (d) 1. To reduce the interest rate of clean water fund program, safe
11 drinking water loan program, urban storm water loan program and land recycling
12 loan program loans from market rate to a subsidized rate.

13 **SECTION 2504r.** 281.59 (1) (em) of the statutes is created to read:

14 281.59 (1) (em) “Urban storm water loan program” means the program
15 administered under s. 281.595, with financial management provided under this
16 section.”.

17 **14.** Page 1154, line 8: after that line insert:

18 “**SECTION 2506f.** 281.59 (1m) (d) of the statutes is created to read:

19 281.59 (1m) (d) There is established an urban storm water loan program,
20 administered under s. 281.595, with financial management provided under this
21 section.

22 **SECTION 2506g.** 281.59 (2) (a) of the statutes is amended to read:

23 281.59 (2) (a) Administer its responsibilities under this section and ss. 281.58,
24 281.595, 281.60 and 281.61.

1 **SECTION 2506h.** 281.59 (2) (b) of the statutes is amended to read:

2 281.59 (2) (b) Cooperate with the department in administering the clean water
3 fund program, the safe drinking water loan program, the urban storm water loan
4 program and the land recycling loan program.

5 **SECTION 2506i.** 281.59 (3) (a) 1. of the statutes is amended to read:

6 281.59 (3) (a) 1. An estimate of the wastewater treatment, safe drinking water,
7 urban storm water and land recycling project needs of the state for the 4 fiscal years
8 of the next 2 biennia.

9 **SECTION 2506j.** 281.59 (3) (a) 4. of the statutes is amended to read:

10 281.59 (3) (a) 4. The extent to which the funding for the clean water fund
11 program, the urban storm water loan program and the safe drinking water loan
12 program, in the environmental improvement fund, will be maintained in perpetuity.

13 **SECTION 2506k.** 281.59 (3) (a) 5. of the statutes is amended to read:

14 281.59 (3) (a) 5. The most recent available audited financial statements of the
15 past operations and activities of the clean water fund program, the safe drinking
16 water loan program, the urban storm water loan program and the land recycling loan
17 program, the estimated environmental improvement fund capital available in each
18 of the next 4 fiscal years for the clean water fund program, the urban storm water
19 loan program and the safe drinking water loan program, and the projected
20 environmental improvement fund balance for the clean water fund program, the
21 urban storm water loan program and the safe drinking water loan program for each
22 of the next 20 years given existing obligations and financial conditions.

23 **SECTION 2506L.** 281.59 (3) (a) 6s. of the statutes is created to read:

24 281.59 (3) (a) 6s. An amount equal to the estimated present value of subsidies
25 for all loans under the urban storm water loan program to be made during the

1 biennium for which the biennial finance plan is prepared, discounted at a rate of 7%
2 per year to the first day of that biennium.

3 **SECTION 2506m.** 281.59 (3) (a) 7. of the statutes is amended to read:

4 281.59 (3) (a) 7. A discussion of the assumptions made in calculating the
5 amounts under subds. 6., 6e. ~~and~~, 6m. and 6s.

6 **SECTION 2506q.** 281.59 (3) (j) of the statutes is amended to read:

7 281.59 (3) (j) No later than November 1 of each odd-numbered year, the
8 department of administration and the department jointly shall submit a report, to
9 the building commission and committees as required under par. (bm), on the
10 implementation of the amount established under sub. (3e) (b) as required under s.
11 281.58 (9m) (e), and on the operations and activities of the clean water fund program,
12 the safe drinking water loan program, the urban storm water loan program and the
13 land recycling loan program for the previous biennium.”

14 **15.** Page 1154, line 10: delete “\$87,400,000” and substitute “\$85,200,000”.

15 **16.** Page 1154, line 20: after that line insert:

16 **“SECTION 2509m.** 281.59 (3v) of the statutes is created to read:

17 281.59 (3v) URBAN STORM WATER LOAN PROGRAM EXPENDITURES. (a) No moneys
18 may be expended for the urban storm water loan program in a biennium until the
19 legislature reviews and approves all of the following as part of the biennial budget
20 act for the biennium:

21 1. An amount of present value of the subsidy for the urban storm water loan
22 program that is specified for that biennium under par. (b) and is based on the amount
23 included in the biennial finance plan under sub. (3) (a) 6s.

1 2. The amount of public debt, authorized under s. 20.866 (2) (tc), that the state
2 may contract for the purposes of the urban storm water loan program.

3 (b) The amount of present value of the subsidy for the urban storm water loan
4 program that is approved by the legislature under this paragraph is as follows:

5 1. Equal to \$4,500,000 during the 1999-01 biennium.

6 2. Equal to \$1,000 for any biennium after the 1999-01 biennium.

7 (c) The department of administration may allocate amounts approved under
8 par. (b) as the present value of subsidies for financial assistance under the urban
9 storm water loan program.

10 (d) Using the amount approved under par. (b) as a base, the department of
11 administration shall calculate the present value of the actual subsidy of each urban
12 storm water loan made for those projects in each biennium that are approved for
13 financial assistance. The present value shall be discounted as provided under sub.

14 (3) (a) 6s. ~~11~~

Insert
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15 **17.** Page 1155, line 7: before "or" insert ". the urban storm water loan
16 program".

17 **18.** Page 1155, line 12: after that line insert:

18 "SECTION 2511c. 281.59 (9) (am) of the statutes is amended to read:

19 281.59 (9) (am) The department of administration, in consultation with the
20 department, may establish those terms and conditions of a financial assistance
21 agreement that relate to its financial management, including what type of municipal
22 obligation, as set forth under s. 66.36, is required for the repayment of the financial
23 assistance. Any terms and conditions established under this paragraph by the
24 department of administration shall comply with the requirements of this section and

1 s. 281.58, 281.595, 281.60 or 281.61. In setting the terms and conditions, the
2 department of administration may consider factors that the department of
3 administration finds are relevant, including the type of obligation evidencing the
4 loan, the pledge of security for the obligation and the applicant's creditworthiness.

5 **SECTION 2511e.** 281.59 (9) (b) (intro.) of the statutes is amended to read:

6 281.59 (9) (b) (intro.) As a condition of receiving financial assistance under the
7 clean water fund program, the safe drinking water loan program, the urban storm
8 water loan program or the land recycling loan program, an applicant shall do all of
9 the following:

10 **SECTION 2511f.** 281.59 (9) (b) 1. of the statutes is amended to read:

11 281.59 (9) (b) 1. Pledge the security, if any, required by the rules promulgated
12 by the department of administration under this section and s. 281.58, 281.595,
13 281.60 or 281.61.

14 **SECTION 2511g.** 281.59 (11) (a) of the statutes is amended to read:

15 281.59 (11) (a) The department of natural resources and the department of
16 administration may enter into a financial assistance agreement with an applicant
17 for which the department of administration has allocated subsidy under s. 281.58
18 (9m), 281.595 (8), 281.60 (8) or 281.61 (8) if the applicant meets the conditions under
19 sub. (9) and the other requirements under this section and s. 281.58, 281.595, 281.60
20 or 281.61.

21 **SECTION 2511i.** 281.59 (11) (b) of the statutes is amended to read:

22 281.59 (11) (b) If a municipality fails to make a principal repayment or interest
23 payment after its due date, the department of administration shall place on file a
24 certified statement of all amounts due under this section and s. 281.58, 281.595,
25 281.60 or 281.61. After consulting the department, the department of

1 administration may collect all amounts due by deducting those amounts from any
2 state payments due the municipality or may add a special charge to the amount of
3 taxes apportioned to and levied upon the county under s. 70.60. If the department
4 of administration collects amounts due, it shall remit those amounts to the fund to
5 which they are due and notify the department of that action.

6 **SECTION 2511k.** 281.59 (11) (c) of the statutes is amended to read:

7 281.59 (11) (c) The department of administration may retain the last payment
8 under a financial assistance agreement until the department of natural resources
9 and the department of administration determine that the project is completed and
10 meets the applicable requirements of this section and s. 281.58, 281.595, 281.60 or
11 281.61 and that the conditions of the financial assistance agreement are met.”.

12 **19.** Page 1155, line 18: after that line insert:

13 “**SECTION 2512e.** 281.59 (13s) of the statutes is amended to read:

14 281.59 (13s) POWERS. The department of administration may audit, or contract
15 for audits of, projects receiving financial assistance under the clean water fund
16 program, the safe drinking water loan program, the urban storm water loan program
17 and the land recycling loan program.

18 **SECTION 2512g.** 281.59 (14) of the statutes is amended to read:

19 281.59 (14) RULES. The department of administration shall promulgate rules
20 that are necessary for the proper execution of this section and of its responsibilities
21 under ss. 281.58, 281.595, 281.60 and 281.61.

22 **SECTION 2512j.** 281.595 of the statutes is created to read:

23 **281.595 Urban storm water loan program. (1) DEFINITIONS.** In this section:

1 (a) “Local governmental unit” means a city, village, town, county, town sanitary
2 district, public inland lake protection and rehabilitation district or metropolitan
3 sewerage district.

4 (b) “Market interest rate” means the interest at the effective rate of a revenue
5 obligation issued by this state to fund a loan or portion of a loan for a clean water fund
6 program project under s. 281.58.

7 (c) “Population” means population shown by the last federal census or by any
8 subsequent population estimate under s. 16.96.

9 (d) “Urban area” means any of the following:

- 10 1. An area with a population of 1,000 or more per square mile.
- 11 2. An area in which the land is used for industrial or commercial land uses.
- 12 3. An area that is surrounded by an area described in subd. 1. or 2.

13 (e) “Urban storm water loan program” means the program administered under
14 this section, with financial management provided under s. 281.59.

15 (2) GENERAL. The department and the department of administration shall
16 administer a program to provide financial assistance to local governmental units for
17 the planning, designing, construction or modification of nonpoint source pollution
18 and urban storm water runoff projects in urban areas.

19 (2g) INELIGIBLE USES. A local governmental unit may not use financial
20 assistance under this section to pay any portion of the cost of a project for which
21 financial assistance is provided under s. 281.65.

22 (2r) METHODS OF PROVIDING FINANCIAL ASSISTANCE. The following methods of
23 providing financial assistance may be used under the urban storm water loan
24 program:

1 (a) Making loans below the market interest rate for projects described in sub.
2 (2).

3 (b) Purchasing or refinancing the obligation of a local governmental unit that
4 was incurred to finance the cost of a project described in sub. (2).

5 (c) Guaranteeing, or purchasing insurance for, obligations incurred to finance
6 the cost of projects described in sub. (2) if the guarantee or insurance will provide
7 credit market access or reduce interest rates.

8 (d) Providing payments to the board of commissioners of public lands to reduce
9 principal or interest payments, or both, on loans made to local governmental units
10 under subch. II of ch. 24 by the board of commissioners of public lands for projects
11 that are eligible for financial assistance under the urban storm water loan program.

12 **(3) NOTICE OF INTENT TO APPLY.** (a) A local governmental unit shall submit notice
13 of its intent to apply for financial assistance under the urban storm water loan
14 program at least 6 months before the beginning of the fiscal year in which it intends
15 to receive the financial assistance. The notice shall be in a form prescribed by the
16 department and the department of administration.

17 (b) If a local governmental unit does not apply for financial assistance by April
18 30 of the 2nd year following the year in which it submitted notice under par. (a), the
19 local governmental unit shall submit a new notice under par. (a).

20 (c) The department may waive par. (a) or (b) upon the written request of a local
21 governmental unit.

22 **(4) ENGINEERING REPORT.** A local governmental unit seeking financial
23 assistance for a project under this section shall submit an engineering report, as
24 required by the department by rule.

1 **(5) APPLICATION.** After the department approves a local governmental unit's
2 engineering report submitted under sub. (4), the local governmental unit shall
3 submit an application for urban storm water financial assistance to the department.
4 The applicant shall submit the application before the April 30 preceding the
5 beginning of the fiscal year in which the applicant wishes to receive the financial
6 assistance. The application shall be in the form and include the information required
7 by the department and the department of administration and shall include plans and
8 specifications that are approvable by the department under this section. An
9 applicant may not submit more than one application per project per year.

10 **(6) PRIORITY LIST.** The department shall establish a priority list that ranks each
11 urban storm water loan program project. The department shall promulgate rules for
12 determining project rankings that base project priority on the impact of a project on
13 groundwater and surface water quality and on public health.

14 **(7) APPROVAL OF APPLICATION.** The department shall approve an application
15 received under sub. (5) after all of the following occur:

16 (a) The project is ranked on the priority list under sub. (6).

17 (b) The department determines that the project meets the eligibility
18 requirements under this section.

19 (c) The department of administration determines that the local governmental
20 unit will meet the requirements of s. 281.59 (9) (b).

21 (d) The legislature has approved an amount under s. 281.59 (3v) (b) 1. for the
22 biennium.

23 **(8) FUNDING LIST; ALLOCATION OF FUNDING.** (a) The department shall establish
24 a funding list for each fiscal year that ranks projects of local governmental units that
25 submit approvable applications under sub. (5) in the same order that they appear on

1 the priority list under sub. (6). If sufficient funds are not available to fund all
2 approved applications for financial assistance, the department of administration
3 shall allocate funding to projects that are approved under sub. (7) in the order that
4 they appear on the funding list.

5 (b) In allocating subsidy under this subsection, the department of
6 administration shall adhere to the amount approved by the legislature for each
7 biennium under s. 281.59 (3v) (b).

8 **(8m) CONDITIONS OF FINANCIAL ASSISTANCE.** As a condition of receiving financial
9 assistance under the urban storm water loan program, a local governmental unit
10 shall do all of the following:

11 (a) Establish a dedicated source of revenue for the repayment of the financial
12 assistance.

13 (b) Comply with those provisions of 33 USC 1381 to 1387 and this chapter and
14 ch. 283 and the regulations and rules promulgated under those provisions that the
15 department specifies.

16 (c) Develop and adopt a program for the operation and maintenance of the
17 nonpoint source pollution or storm water project, including the training of personnel,
18 as required by the department.

19 **(8s) LIMITATION ON FINANCIAL ASSISTANCE.** The amount of a payment under sub.
20 (2r) (d) may not exceed the amount of subsidy necessary to reduce the interest rate
21 on the loan from market rate to the interest rate that would have been charged on
22 a loan to the local governmental unit under sub. (2r) (a).

23 **(9) FINANCIAL ASSISTANCE COMMITMENTS.** The department and the department
24 of administration may, at the request of a local governmental unit, issue a notice of
25 financial assistance commitment after the local governmental unit's application for

1 urban storm water financial assistance has been approved under sub. (7) and
2 funding has been allocated under sub. (8) for the local governmental unit's project.
3 The notice of financial assistance commitment shall specify the conditions that the
4 local governmental unit must meet to secure financial assistance and shall include
5 the estimated repayment schedules and other terms of the financial assistance.

6 (10) DEADLINE FOR CLOSING. If funding is allocated to a project under sub. (8)
7 for a loan and the loan is not closed before April 30 of the year following the year in
8 which funding is allocated, the department of administration shall release the
9 funding allocated to the project.

10 (11) LOAN INTEREST RATES. ^{(a) Except as provided under par. (b),} The interest rate on an urban storm water loan
11 program loan shall be 55% of market interest rate.

Insert
17-11 →
12 (11m) SERVICE FEE. The department and the department of administration
13 may jointly charge and collect an annual service fee for reviewing and acting upon
14 urban storm water loan program applications and servicing financial assistance
15 agreements. The fee shall be in addition to interest payments at the rate under sub.
16 (11). The department and the department of administration shall specify any fee in
17 the biennial finance plan and shall design the fee to cover the costs of reviewing and
18 acting upon urban storm water loan program applications and servicing financial
19 assistance agreements.

20 (12) DUTIES OF THE DEPARTMENT. The department shall do all of the following:

21 (a) Promulgate rules establishing eligibility criteria for applicants and projects
22 under this section.

23 (b) Promulgate rules that are necessary for the execution of its responsibilities
24 under the urban storm water loan program.

1 (c) Cooperate with the department of administration in administering the
2 urban storm water loan program.

3 (d) By May 1 of each even-numbered year, prepare and submit to the
4 department of administration a biennial needs list that includes all of the following
5 information:

6 1. A list of urban storm water projects that the department estimates will apply
7 for financial assistance under the urban storm water loan program during the next
8 biennium.

9 2. The estimated cost and estimated construction schedule of each project on
10 the list, and the total of the estimated costs of all projects on the list.

11 3. The estimated rank of each project on the priority list under sub. (6).

12 (e) Submit a biennial budget request under s. 16.42 for the urban storm water
13 loan program.

14 (f) Have the lead state role with the federal environmental protection agency
15 concerning the urban storm water loan program.

16 (g) Have the lead state role with local governmental units in providing urban
17 storm water loan program information, and cooperate with the department of
18 administration in providing that information to local governmental units.

19 (h) Inspect periodically urban storm water loan program project construction
20 to determine project compliance with construction plans and specifications approved
21 by the department and the requirements of the urban storm water loan program.”.

22 **20.** Page 1413, line 23: after that line insert:

23 “(7g) RULES FOR URBAN STORM WATER LOAN PROGRAM. The department of natural
24 resources shall submit in proposed form the rules required under section 281.595

1 (12) of the statutes, as created by this act, to the legislative council staff under section
2 227.15 (1) of the statutes no later than February 1, 2000, and shall promulgate the
3 rules no later than December 31, 2000, unless action by the legislature under chapter
4 227 of the statutes prevents the department from meeting this deadline.”

5

(END)

Insert 1-1

b0310/1

#. Page 121, line 1: before that line insert:

"Section # 13.101 (11) of the statutes is amended to read:

cs
1/e
B

13.101 (11) The committee may approve a clean water fund program interest rate change as specified under s. 281.58 (12) (f) or a safe drinking water loan program interest rate change as specified under s. 281.61 (11) (b). "

an urban storm water loan program interest rate change as specified in s. 281.595 (1) (b)

History: 1975 c. 39, 199, 224; 1977 c. 29 ss. 1649, 1656 (15); 1979 c. 1; 1979 c. 34 ss. 1b to 1g, 631j to 631s, 2102 (43) (a). (52) (a); 1979 c. 221; 1981 c. 20 ss. 3d to 3v; 1983 a. 27 ss. 5p to 7, 2202 (20) and (42); 1983 a. 538; 1985 a. 29 ss. 22, 3202 (51); 1987 a. 4; 1989 a. 31, 336, 366; 1991 a. 39, 309; 1993 a. 16, 184, 414; 1995 a. 27, 132, 225, 227, 445; 1997 a. 27, 35, 113, 252.

B
cs

#. Page 121, line 1. delete "Section 1" and substitute

"Section 1m".

cs
B

(END OF INSERT)

cs 303 p
Section 20.320 (1) (q)
B

20.320 (1) (q) of the statutes is amended to read:

20.320 (1) (q) *Clean water fund program revenue obligation funding.* As a continuing appropriation, all proceeds from revenue obligations issued under subch. II or IV of ch. 18, as authorized under s. 281.59 (4) and deposited in the fund in the state treasury created under s. 18.57 (1), providing for reserves and for expenses of issuance and management of the revenue obligations, and the remainder to be transferred to the environmental improvement fund for the purposes of the clean water fund program under s. 281.58⁶ and the urban storm water loan program under s. 281.595 Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

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.

(END OF INSERT 3-2)



B
3035
Section # 20.320 (1) (t)
cs

Insert 3-7

60310/1

Section # 20.320 (1) (t) of the statutes is amended to read:

20.320 (1) (t) *Principal repayment and interest — clean water fund program bonds.* From the environmental improvement fund, the amounts in the schedule to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred in transferring moneys from s. 20.866 (2) (tc) to the environmental improvement fund for the purposes of the clean water fund program under s. 281.58.

Fifty percent of all moneys received from municipalities as payment of interest on loans or portions of loans under ~~s. 281.58~~ ^{ss.} ~~the revenues of which~~ ^{and 281.595} have not been pledged to secure revenue obligations shall be credited to this appropriation account.

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.

and the urban storm
water loan program
under s. 281.595

(END OF INSERT 3-7)

60310/1

Insert 6-19

#. Page 1152, line 19: after that line insert:

Section 281.58 (8) (a) 1. of the statutes is amended to read:

2496m

281.58 (8) (a) 1. A person or municipality that has failed to substantially comply, as specified by the rules promulgated under sub. (2), with the terms of a federal or state grant or loan used to pay the costs of studies, investigations, plans, designs or construction associated with wastewater collection, transportation, treatment or disposal ~~or used to pay the cost of studies, investigations, plans, designs or construction associated with implementing a nonpoint source control management program~~ .

↑ strike

History: 1987 a. 399; 1989 a. 31, 336, 366; 1991 a. 32, 39, 189; 1993 a. 16; 1995 a. 27; 1995 a. 227 s. 425; Stats. 1995 s. 281.58; 1997 a. 27, 237.

(END OF INSERT)

Insert 10-14, p. 1

b0310/1

B
2509P
CS

Section 281.59 (4) (a) of the statutes is amended to read:

and the urban storm water loan program are

281.59 (4) (a) The clean water fund program is a revenue-producing enterprise or program as defined in s. 18.52 (6).

~~enterprises or programs,~~

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.

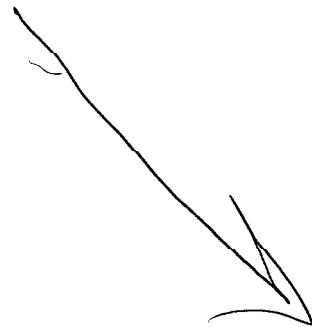


B
2509g
C)

Section 281.59 (4) (am) of the statutes is amended to read:

281.59 (4) (am) Deposits, appropriations or transfers to the environmental improvement fund for the purposes of the clean water fund program or the urban storm water loan program may be funded with the proceeds of revenue obligations issued subject to and in accordance with subch. II of ch. 18 or in accordance with subch. IV of ch. 18 if designated a higher education bond. ”.

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.



2510d
 Section 281.59 (4) (c) of the statutes is amended to read:
 c5

281.59 (4) (c) The building commission may pledge any portion of revenues received or to be received in the fund established in par. (b) or the environmental improvement fund to secure revenue obligations issued under this subsection. The pledge shall provide for the transfer to the environmental improvement fund of all pledged revenues, including any interest earned on the revenues, which are in excess of the amounts required to be paid under s. 20.320 (1) (c) and (u) for the purposes of the clean water fund program or the urban storm water loan program. The pledge shall provide that the transfers be made at least twice yearly, that the transferred amounts be deposited in the environmental improvement fund and that the transferred amounts are free of any prior pledge.

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 of insert 10-14)

Page 1155, line 4: after that line insert:

Section #. 281.58 (8) (a) 1. of the statutes is amended to read:

from
1208

~~281.58 (8) (a) 1.~~ A person or municipality that has failed to substantially comply, as specified by the rules promulgated under sub. (4), with the terms of a federal or state grant or loan used to pay the costs of studies, investigations, plans, designs or construction associated with wastewater collection, transportation, treatment or disposal or used to pay the cost of studies, investigations, plans, designs or construction associated with implementing a nonpoint source control management program is not eligible for financial assistance from the urban storm water loan program

History: 1987 a. 399; 1989 a. 31, 336, 366; 1991 a. 32, 39, 189; 1993 a. 16; 1995 a. 27; 1995 a. 227 s. 425; Stats. 1995

s. 281.58; 1997 a. 27, 237.

(END OF INSERT)

Insert 17-11

(9) (b) The department and the department of administration
jointly
may request the joint committee on finance to take
action under s. 13.101(11) to modify the percentage
of market interest under par. (a).

(END OF INSERT)

60310/2dn
RET

Kendra Bonderud and David Schug;

This is a redraft of the urban storm water loan program. This draft adds that program to s. 20.320 (1) (g) and (h) of the statute, as Kendra asked. Section 20.320(2) (h) does not seem to be related to revenue bonding, so please review it to ensure that it is appropriately included in this draft. This draft does not treat s. 20.320(1) (u). I think that adding the urban storm water loan program to s. 281.59(4) ensures that ~~the~~ the program is included in s. 20.320(1) (u).

⑨ Please call if you have any questions.

RET

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0310/1dn
RCT:cmh:kjf

June 8, 1999

Kendra Bonderud and David Schug:

This is a redraft of the urban storm water loan program. This draft adds that program to s. 20.320 (1) (q) and (t) of the statutes, as Kendra asked. Section 20.320 (1) (t) does not seem to be related to revenue bonding, so please review it to ensure that it is appropriately included in this draft. This draft does not treat s. 20.320 (1) (u). I think that adding the urban storm water loan program to s. 281.59 (4) ensures that the program is included in s. 20.320 (1) (u).

Please call if you have any questions.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: Becky.Tradewell@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0310/1
RCT:cmh:kjf

LFB:.....Schug – Environmental improvement fund urban storm 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 bill as follows:

2 **1.** Page 121, line 1: before that line insert:

3 “**SECTION 1e.** 13.101 (11) of the statutes is amended to read:

4 13.101 (11) The committee may approve a clean water fund program interest
5 rate change as specified under s. 281.58 (12) (f), an urban storm water loan program
6 interest rate change as specified in s. 281.595 (11) (b) or a safe drinking water loan
7 program interest rate change as specified under s. 281.61 (11) (b).”.

8 **2.** Page 121, line 1: delete “**SECTION 1**” and substitute “**SECTION 1m**”.

9 **3.** Page 122, line 10: after that line insert:

10 “**SECTION 3f.** 13.48 (26) of the statutes is amended to read:

1 13.48 (26) ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE PLAN APPROVAL. The
2 building commission shall review the versions of the biennial finance plan and any
3 amendments to the biennial finance plan submitted to it by the department of
4 natural resources and the department of administration under s. 281.59 (3) (bm) and
5 the recommendations of the joint committee on finance and the standing committees
6 to which the versions of the biennial finance plan and any amendments were
7 submitted under s. 281.59 (3) (bm). The building commission shall consider the
8 extent to which that version of the biennial finance plan that is updated to reflect the
9 adopted biennial budget act will maintain the funding for the clean water fund
10 program and the safe drinking water loan program, in the environmental
11 improvement fund, in perpetuity. The building commission shall consider the extent
12 to which the implementation of the clean water fund program, the safe drinking
13 water loan program, the urban storm water loan program and the land recycling loan
14 program, as set forth in the biennial finance plan updated to reflect the adopted
15 biennial budget act, implements legislative intent on the clean water fund program,
16 the safe drinking water loan program, the urban storm water loan program and the
17 land recycling loan program. The building commission shall, no later than 60 days
18 after the date of enactment of the biennial budget act, either approve or disapprove
19 the biennial finance plan that is updated to reflect the adopted biennial budget act,
20 except that the building commission may not disapprove those amounts that the
21 legislature approves under s. 281.59 (3e) (a), (3m) (a) ~~and~~, (3s) (a) and (3v) (a). If the
22 building commission disapproves the version of the biennial finance plan that is
23 updated to reflect the adopted biennial budget act, it must notify the department of
24 natural resources and the department of administration of its reasons for

1 disapproving the plan, and those departments must revise that version of the
2 biennial finance plan and submit the revision to the building commission.”.

3 **4.** Page 401, line 9: after that line insert:

4 **“SECTION 303m.** 20.320 (1) (c) of the statutes is amended to read:

5 20.320 (1) (c) *Principal repayment and interest — clean water fund program.*

6 A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and
7 interest costs incurred in transferring moneys from s. 20.866 (2) (tc) to the
8 environmental improvement fund for the purposes of the clean water fund program
9 under s. 281.58 and the urban storm water loan program under s. 281.595.

10 **SECTION 303p.** 20.320 (1) (q) of the statutes is amended to read:

11 20.320 (1) (q) *Clean water fund program revenue obligation funding.* As a
12 continuing appropriation, all proceeds from revenue obligations issued under subch.
13 II or IV of ch. 18, as authorized under s. 281.59 (4) and deposited in the fund in the
14 state treasury created under s. 18.57 (1), providing for reserves and for expenses of
15 issuance and management of the revenue obligations, and the remainder to be
16 transferred to the environmental improvement fund for the purposes of the clean
17 water fund program under s. 281.58 and the urban storm water loan program under
18 s. 281.595. Estimated disbursements under this paragraph shall not be included in
19 the schedule under s. 20.005.

20 **SECTION 303q.** 20.320 (1) (s) of the statutes is amended to read:

21 20.320 (1) (s) *Clean water fund program financial assistance.* From the
22 environmental improvement fund, a sum sufficient for the purposes of providing
23 clean water fund program financial assistance under s. 281.58 and urban storm
24 water loan program assistance under s. 281.595.

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

2 20.320 (1) (t) *Principal repayment and interest — clean water fund program*
3 *bonds.* From the environmental improvement fund, the amounts in the schedule to
4 reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred
5 in transferring moneys from s. 20.866 (2) (tc) to the environmental improvement
6 fund for the purposes of the clean water fund program under s. 281.58 and the urban
7 storm water loan program under s. 281.595. Fifty percent of all moneys received
8 from municipalities as payment of interest on loans or portions of loans under s. ~~ss.~~
9 281.58 and 281.595 the revenues of which have not been pledged to secure revenue
10 obligations shall be credited to this appropriation account.

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

12 20.320 (1) (x) *Clean water fund program financial assistance; federal.* From
13 the clean water fund program federal revolving loan fund account in the
14 environmental improvement fund, all moneys received from the federal government
15 to provide financial assistance under the clean water fund program under s. 281.58
16 and under the urban storm water loan program under s. 281.595, as authorized by
17 the governor under s. 16.54, except moneys appropriated under par. (y), for financial
18 assistance under the clean water fund program under s. 281.58 and under the urban
19 storm water loan program under s. 281.595.”

20 **5.** Page 404, line 16: after that line insert:

21 “**SECTION 318g.** 20.370 (4) (mt) of the statutes is amended to read:

22 20.370 (4) (mt) *General program operations — environmental improvement*
23 *programs; state funds.* From the environmental improvement fund, the amounts in

1 the schedule for general program operations under s. 281.58, 281.59, 281.595,
2 281.60, 281.61 or 281.62.

3 **SECTION 318j.** 20.370 (4) (mx) of the statutes is amended to read:

4 20.370 (4) (mx) *General program operations — clean water fund program;*
5 *federal funds.* As a continuing appropriation, from the clean water fund program
6 federal revolving loan fund account in the environmental improvement fund, the
7 amounts in the schedule for general program operations of the clean water fund
8 program and the urban storm water loan program under ~~s. ss. 281.58 or, 281.59~~ and
9 281.595.”

10 **6.** Page 409, line 14: after that line insert:

11 “**SECTION 341h.** 20.370 (9) (mt) of the statutes is amended to read:

12 20.370 (9) (mt) *Aids administration — environmental improvement programs;*
13 *state funds.* From the environmental improvement fund, the amounts in the
14 schedule for the administration of ss. 281.58, ~~280.60~~ 281.595, 281.60, 281.61 and
15 281.62.

16 **SECTION 341k.** 20.370 (9) (mx) of the statutes is amended to read:

17 20.370 (9) (mx) *Aids administration — clean water fund program; federal*
18 *funds.* From the clean water fund program federal revolving loan fund account in
19 the environmental improvement fund, all moneys received from the federal
20 government to administer the clean water fund program and the urban storm water
21 loan program, as authorized by the governor under s. 16.54, for the administration
22 of the clean water fund program and the urban storm water loan program under ~~s.~~
23 ss. 281.58 or, 281.59 and 281.595.”

24 **7.** Page 454, line 4: after that line insert:

1 **“SECTION 528t.** 20.505 (1) (v) of the statutes is amended to read:

2 20.505 (1) (v) *General program operations — environmental improvement*
3 *programs; state funds.* From the environmental improvement fund, the amounts in
4 the schedule for general program operations under s. 281.58, 281.59, 281.595, 281.60
5 or 281.61.

6 **SECTION 528v.** 20.505 (1) (x) of the statutes is amended to read:

7 20.505 (1) (x) *General program operations — clean water fund program; federal*
8 *funds.* As a continuing appropriation, from the clean water fund program federal
9 revolving loan fund account in the environmental improvement fund, the amounts
10 in the schedule for general program operations of the clean water fund program and
11 the urban storm water loan program under ~~s. ss.~~ ss. 281.58 ~~or~~, 281.59 and 281.595.”.

12 **8.** Page 467, line 16: after that line insert:

13 **“SECTION 593m.** 20.536 (1) (ka) of the statutes is amended to read:

14 20.536 (1) (ka) *General program operations; environmental improvement fund.*
15 All moneys received for providing services to the department of administration or the
16 department of natural resources in administering ss. 25.43, 281.58, 281.59, 281.595,
17 281.60, 281.61 and 281.62, for general program operations.”.

18 **9.** Page 474, line 19: after that line insert:

19 **“SECTION 629s.** 20.866 (2) (tc) of the statutes is amended to read:

20 20.866 (2) (tc) *Clean water fund program.* From the capital improvement fund,
21 a sum sufficient for the purpose of s. 281.57 (10m) and to be transferred to the
22 environmental improvement fund for the purposes of the clean water fund program
23 and the urban storm water loan program under ss. 281.58 and, 281.59 and 281.595.
24 The state may contract public debt in an amount not to exceed \$552,743,200

1 \$556,843,200 for this purpose. Of this amount, the amount needed to meet the
2 requirements for state deposits under 33 USC 1382 is allocated for those deposits.
3 Of this amount, \$8,250,000 is allocated to fund the minority business development
4 and training program under s. 66.905 (2) (b). Moneys from this appropriation
5 account may be expended for the purpose of s. 281.57 (10m) only in the amount by
6 which the department of natural resources and the department of administration
7 determine that moneys available under par. (tn) are insufficient for the purpose for
8 s. 281.57 (10m).”.

9 **10.** Page 499, line 21: after that line insert:

10 “**SECTION 706q.** 25.43 (1) (h) of the statutes is amended to read:

11 25.43 (1) (h) The fees imposed under ss. 281.58 (9) (d), 281.595 (11m) and
12 281.60 (11m).

13 **SECTION 706s.** 25.43 (2) (c) of the statutes is amended to read:

14 25.43 (2) (c) The department of administration may establish and change
15 accounts in the environmental improvement fund other than those under pars. (a),
16 (ae), (am) and (b). The department of administration shall consult the department
17 of natural resources before establishing or changing an account that is needed to
18 administer the programs under ss. 281.58, 281.59, 281.595 and ~~or~~ 281.61.”.

19 **11.** Page 500, line 2: after “281.59,” insert “281.595.”.

20 **12.** Page 826, line 7: before “281.60” insert “281.595.”.

21 **13.** Page 1152, line 18: after that line insert:

22 “**SECTION 2495p.** 281.58 (7) (b) 5. of the statutes is repealed.”.

23 **14.** Page 1152, line 19: after that line insert:

24 “**SECTION 2496m.** 281.58 (8) (a) 1. of the statutes is amended to read:

1 281.58 (8) (a) 1. A person or municipality that has failed to substantially
2 comply, as specified by the rules promulgated under sub. (2), with the terms of a
3 federal or state grant or loan used to pay the costs of studies, investigations, plans,
4 designs or construction associated with wastewater collection, transportation,
5 treatment or disposal ~~or used to pay the cost of studies, investigations, plans, designs~~
6 ~~or construction associated with implementing a nonpoint source control~~
7 ~~management program.”.~~

8 **15.** Page 1153, line 21: after that line insert:

9 “**SECTION 2502v.** 281.58 (12) (a) 2. of the statutes is repealed.”.

10 **16.** Page 1154, line 1: after that line insert:

11 “**SECTION 2504e.** 281.58 (12) (f) of the statutes is amended to read:

12 281.58 (12) (f) The department and the department of administration jointly
13 may request the joint committee on finance to take action under s. 13.101 (11) to
14 modify the percentage of market interest rates established in par. (a) 1. ~~to~~ or 3.

15 **SECTION 2504p.** 281.59 (1) (d) (intro.) of the statutes is amended to read:

16 281.59 (1) (d) (intro.) “Subsidy” means the amounts provided from the
17 environmental improvement fund to clean water fund program, safe drinking water
18 loan program, urban storm water loan program and land recycling loan program
19 projects for the following purposes:

20 **SECTION 2504q.** 281.59 (1) (d) 1. of the statutes is amended to read:

21 281.59 (1) (d) 1. To reduce the interest rate of clean water fund program, safe
22 drinking water loan program, urban storm water loan program and land recycling
23 loan program loans from market rate to a subsidized rate.

24 **SECTION 2504r.** 281.59 (1) (em) of the statutes is created to read:

1 281.59 (1) (em) “Urban storm water loan program” means the program
2 administered under s. 281.595, with financial management provided under this
3 section.”.

4 **17.** Page 1154, line 8: after that line insert:

5 “**SECTION 2506f.** 281.59 (1m) (d) of the statutes is created to read:

6 281.59 (1m) (d) There is established an urban storm water loan program,
7 administered under s. 281.595, with financial management provided under this
8 section.

9 **SECTION 2506g.** 281.59 (2) (a) of the statutes is amended to read:

10 281.59 (2) (a) Administer its responsibilities under this section and ss. 281.58,
11 281.595, 281.60 and 281.61.

12 **SECTION 2506h.** 281.59 (2) (b) of the statutes is amended to read:

13 281.59 (2) (b) Cooperate with the department in administering the clean water
14 fund program, the safe drinking water loan program, the urban storm water loan
15 program and the land recycling loan program.

16 **SECTION 2506i.** 281.59 (3) (a) 1. of the statutes is amended to read:

17 281.59 (3) (a) 1. An estimate of the wastewater treatment, safe drinking water,
18 urban storm water and land recycling project needs of the state for the 4 fiscal years
19 of the next 2 biennia.

20 **SECTION 2506j.** 281.59 (3) (a) 4. of the statutes is amended to read:

21 281.59 (3) (a) 4. The extent to which the funding for the clean water fund
22 program, the urban storm water loan program and the safe drinking water loan
23 program, in the environmental improvement fund, will be maintained in perpetuity.

24 **SECTION 2506k.** 281.59 (3) (a) 5. of the statutes is amended to read:

1 281.59 (3) (a) 5. The most recent available audited financial statements of the
2 past operations and activities of the clean water fund program, the safe drinking
3 water loan program, the urban storm water loan program and the land recycling loan
4 program, the estimated environmental improvement fund capital available in each
5 of the next 4 fiscal years for the clean water fund program, the urban storm water
6 loan program and the safe drinking water loan program, and the projected
7 environmental improvement fund balance for the clean water fund program, the
8 urban storm water loan program and the safe drinking water loan program for each
9 of the next 20 years given existing obligations and financial conditions.

10 **SECTION 2506L.** 281.59 (3) (a) 6s. of the statutes is created to read:

11 281.59 (3) (a) 6s. An amount equal to the estimated present value of subsidies
12 for all loans under the urban storm water loan program to be made during the
13 biennium for which the biennial finance plan is prepared, discounted at a rate of 7%
14 per year to the first day of that biennium.

15 **SECTION 2506m.** 281.59 (3) (a) 7. of the statutes is amended to read:

16 281.59 (3) (a) 7. A discussion of the assumptions made in calculating the
17 amounts under subs. 6., 6e. ~~and 6m.~~ and 6s.

18 **SECTION 2506q.** 281.59 (3) (j) of the statutes is amended to read:

19 281.59 (3) (j) No later than November 1 of each odd-numbered year, the
20 department of administration and the department jointly shall submit a report, to
21 the building commission and committees as required under par. (bm), on the
22 implementation of the amount established under sub. (3e) (b) as required under s.
23 281.58 (9m) (e), and on the operations and activities of the clean water fund program,
24 the safe drinking water loan program, the urban storm water loan program and the
25 land recycling loan program for the previous biennium.”.

1 **18.** Page 1154, line 10: delete “\$87,400,000” and substitute “\$85,200,000”.

2 **19.** Page 1154, line 20: after that line insert:

3 “**SECTION 2509m.** 281.59 (3v) of the statutes is created to read:

4 281.59 (3v) URBAN STORM WATER LOAN PROGRAM EXPENDITURES. (a) No moneys
5 may be expended for the urban storm water loan program in a biennium until the
6 legislature reviews and approves all of the following as part of the biennial budget
7 act for the biennium:

8 1. An amount of present value of the subsidy for the urban storm water loan
9 program that is specified for that biennium under par. (b) and is based on the amount
10 included in the biennial finance plan under sub. (3) (a) 6s.

11 2. The amount of public debt, authorized under s. 20.866 (2) (tc), that the state
12 may contract for the purposes of the urban storm water loan program.

13 (b) The amount of present value of the subsidy for the urban storm water loan
14 program that is approved by the legislature under this paragraph is as follows:

15 1. Equal to \$4,500,000 during the 1999–01 biennium.

16 2. Equal to \$1,000 for any biennium after the 1999–01 biennium.

17 (c) The department of administration may allocate amounts approved under
18 par. (b) as the present value of subsidies for financial assistance under the urban
19 storm water loan program.

20 (d) Using the amount approved under par. (b) as a base, the department of
21 administration shall calculate the present value of the actual subsidy of each urban
22 storm water loan made for those projects in each biennium that are approved for
23 financial assistance. The present value shall be discounted as provided under sub.

24 (3) (a) 6s.

1 **SECTION 2509p.** 281.59 (4) (a) of the statutes is amended to read:

2 281.59 (4) (a) The clean water fund program ~~is a~~ and the urban storm water
3 loan program are revenue-producing ~~enterprise or program enterprises or~~
4 programs, as defined in s. 18.52 (6).

5 **SECTION 2509q.** 281.59 (4) (am) of the statutes is amended to read:

6 281.59 (4) (am) Deposits, appropriations or transfers to the environmental
7 improvement fund for the purposes of the clean water fund program or the urban
8 storm water loan program may be funded with the proceeds of revenue obligations
9 issued subject to and in accordance with subch. II of ch. 18 or in accordance with
10 subch. IV of ch. 18 if designated a higher education bond.”.

11 **20.** Page 1155, line 4: after that line insert:

12 “**SECTION 2510d.** 281.59 (4) (c) of the statutes is amended to read:

13 281.59 (4) (c) The building commission may pledge any portion of revenues
14 received or to be received in the fund established in par. (b) or the environmental
15 improvement fund to secure revenue obligations issued under this subsection. The
16 pledge shall provide for the transfer to the environmental improvement fund of all
17 pledged revenues, including any interest earned on the revenues, which are in excess
18 of the amounts required to be paid under s. 20.320 (1) (c) and (u) for the purposes of
19 the clean water fund program or the urban storm water loan program. The pledge
20 shall provide that the transfers be made at least twice yearly, that the transferred
21 amounts be deposited in the environmental improvement fund and that the
22 transferred amounts are free of any prior pledge.”.

23 **21.** Page 1155, line 7: before “or” insert “, the urban storm water loan
24 program”.

1 **22.** Page 1155, line 12: after that line insert:

2 **SECTION 2511c.** 281.59 (9) (am) of the statutes is amended to read:

3 281.59 (9) (am) The department of administration, in consultation with the
4 department, may establish those terms and conditions of a financial assistance
5 agreement that relate to its financial management, including what type of municipal
6 obligation, as set forth under s. 66.36, is required for the repayment of the financial
7 assistance. Any terms and conditions established under this paragraph by the
8 department of administration shall comply with the requirements of this section and
9 s. 281.58, 281.595, 281.60 or 281.61. In setting the terms and conditions, the
10 department of administration may consider factors that the department of
11 administration finds are relevant, including the type of obligation evidencing the
12 loan, the pledge of security for the obligation and the applicant's creditworthiness.

13 **SECTION 2511e.** 281.59 (9) (b) (intro.) of the statutes is amended to read:

14 281.59 (9) (b) (intro.) As a condition of receiving financial assistance under the
15 clean water fund program, the safe drinking water loan program, the urban storm
16 water loan program or the land recycling loan program, an applicant shall do all of
17 the following:

18 **SECTION 2511f.** 281.59 (9) (b) 1. of the statutes is amended to read:

19 281.59 (9) (b) 1. Pledge the security, if any, required by the rules promulgated
20 by the department of administration under this section and s. 281.58, 281.595,
21 281.60 or 281.61.

22 **SECTION 2511g.** 281.59 (11) (a) of the statutes is amended to read:

23 281.59 (11) (a) The department of natural resources and the department of
24 administration may enter into a financial assistance agreement with an applicant

1 for which the department of administration has allocated subsidy under s. 281.58
2 (9m), 281.595 (8), 281.60 (8) or 281.61 (8) if the applicant meets the conditions under
3 sub. (9) and the other requirements under this section and s. 281.58, 281.595, 281.60
4 or 281.61.

5 **SECTION 2511i.** 281.59 (11) (b) of the statutes is amended to read:

6 281.59 (11) (b) If a municipality fails to make a principal repayment or interest
7 payment after its due date, the department of administration shall place on file a
8 certified statement of all amounts due under this section and s. 281.58, 281.595,
9 281.60 or 281.61. After consulting the department, the department of
10 administration may collect all amounts due by deducting those amounts from any
11 state payments due the municipality or may add a special charge to the amount of
12 taxes apportioned to and levied upon the county under s. 70.60. If the department
13 of administration collects amounts due, it shall remit those amounts to the fund to
14 which they are due and notify the department of that action.

15 **SECTION 2511k.** 281.59 (11) (c) of the statutes is amended to read:

16 281.59 (11) (c) The department of administration may retain the last payment
17 under a financial assistance agreement until the department of natural resources
18 and the department of administration determine that the project is completed and
19 meets the applicable requirements of this section and s. 281.58, 281.595, 281.60 or
20 281.61 and that the conditions of the financial assistance agreement are met.”.

21 **23.** Page 1155, line 18: after that line insert:

22 “**SECTION 2512e.** 281.59 (13s) of the statutes is amended to read:

23 281.59 (13s) **POWERS.** The department of administration may audit, or contract
24 for audits of, projects receiving financial assistance under the clean water fund

1 program, the safe drinking water loan program, the urban storm water loan program
2 and the land recycling loan program.

3 **SECTION 2512g.** 281.59 (14) of the statutes is amended to read:

4 281.59 (14) RULES. The department of administration shall promulgate rules
5 that are necessary for the proper execution of this section and of its responsibilities
6 under ss. 281.58, 281.595, 281.60 and 281.61.

7 **SECTION 2512j.** 281.595 of the statutes is created to read:

8 **281.595 Urban storm water loan program. (1) DEFINITIONS.** In this section:

9 (a) “Local governmental unit” means a city, village, town, county, town sanitary
10 district, public inland lake protection and rehabilitation district or metropolitan
11 sewerage district.

12 (b) “Market interest rate” means the interest at the effective rate of a revenue
13 obligation issued by this state to fund a loan or portion of a loan for a clean water fund
14 program project under s. 281.58.

15 (c) “Population” means population shown by the last federal census or by any
16 subsequent population estimate under s. 16.96.

17 (d) “Urban area” means any of the following:

- 18 1. An area with a population of 1,000 or more per square mile.
- 19 2. An area in which the land is used for industrial or commercial land uses.
- 20 3. An area that is surrounded by an area described in subd. 1. or 2.

21 (e) “Urban storm water loan program” means the program administered under
22 this section, with financial management provided under s. 281.59.

23 (2) GENERAL. The department and the department of administration shall
24 administer a program to provide financial assistance to local governmental units for

1 the planning, designing, construction or modification of nonpoint source pollution
2 and urban storm water runoff projects in urban areas.

3 **(2g) INELIGIBLE USES.** A local governmental unit may not use financial
4 assistance under this section to pay any portion of the cost of a project for which
5 financial assistance is provided under s. 281.65.

6 **(2r) METHODS OF PROVIDING FINANCIAL ASSISTANCE.** The following methods of
7 providing financial assistance may be used under the urban storm water loan
8 program:

9 (a) Making loans below the market interest rate for projects described in sub.
10 (2).

11 (b) Purchasing or refinancing the obligation of a local governmental unit that
12 was incurred to finance the cost of a project described in sub. (2).

13 (c) Guaranteeing, or purchasing insurance for, obligations incurred to finance
14 the cost of projects described in sub. (2) if the guarantee or insurance will provide
15 credit market access or reduce interest rates.

16 (d) Providing payments to the board of commissioners of public lands to reduce
17 principal or interest payments, or both, on loans made to local governmental units
18 under subch. II of ch. 24 by the board of commissioners of public lands for projects
19 that are eligible for financial assistance under the urban storm water loan program.

20 **(3) NOTICE OF INTENT TO APPLY.** (a) A local governmental unit shall submit notice
21 of its intent to apply for financial assistance under the urban storm water loan
22 program at least 6 months before the beginning of the fiscal year in which it intends
23 to receive the financial assistance. The notice shall be in a form prescribed by the
24 department and the department of administration.

1 (b) If a local governmental unit does not apply for financial assistance by April
2 30 of the 2nd year following the year in which it submitted notice under par. (a), the
3 local governmental unit shall submit a new notice under par. (a).

4 (c) The department may waive par. (a) or (b) upon the written request of a local
5 governmental unit.

6 **(4) ENGINEERING REPORT.** A local governmental unit seeking financial
7 assistance for a project under this section shall submit an engineering report, as
8 required by the department by rule.

9 **(5) APPLICATION.** After the department approves a local governmental unit's
10 engineering report submitted under sub. (4), the local governmental unit shall
11 submit an application for urban storm water financial assistance to the department.
12 The applicant shall submit the application before the April 30 preceding the
13 beginning of the fiscal year in which the applicant wishes to receive the financial
14 assistance. The application shall be in the form and include the information required
15 by the department and the department of administration and shall include plans and
16 specifications that are approvable by the department under this section. An
17 applicant may not submit more than one application per project per year.

18 **(6) PRIORITY LIST.** The department shall establish a priority list that ranks each
19 urban storm water loan program project. The department shall promulgate rules for
20 determining project rankings that base project priority on the impact of a project on
21 groundwater and surface water quality and on public health.

22 **(7) APPROVAL OF APPLICATION.** The department shall approve an application
23 received under sub. (5) after all of the following occur:

24 (a) The project is ranked on the priority list under sub. (6).

1 (b) The department determines that the project meets the eligibility
2 requirements under this section.

3 (c) The department of administration determines that the local governmental
4 unit will meet the requirements of s. 281.59 (9) (b).

5 (d) The legislature has approved an amount under s. 281.59 (3v) (b) 1. for the
6 biennium.

7 **(8) FUNDING LIST; ALLOCATION OF FUNDING.** (a) The department shall establish
8 a funding list for each fiscal year that ranks projects of local governmental units that
9 submit approvable applications under sub. (5) in the same order that they appear on
10 the priority list under sub. (6). If sufficient funds are not available to fund all
11 approved applications for financial assistance, the department of administration
12 shall allocate funding to projects that are approved under sub. (7) in the order that
13 they appear on the funding list.

14 (b) In allocating subsidy under this subsection, the department of
15 administration shall adhere to the amount approved by the legislature for each
16 biennium under s. 281.59 (3v) (b).

17 **(8m) CONDITIONS OF FINANCIAL ASSISTANCE.** As a condition of receiving financial
18 assistance under the urban storm water loan program, a local governmental unit
19 shall do all of the following:

20 (a) Establish a dedicated source of revenue for the repayment of the financial
21 assistance.

22 (b) Comply with those provisions of 33 USC 1381 to 1387 and this chapter and
23 ch. 283 and the regulations and rules promulgated under those provisions that the
24 department specifies.

1 (c) Develop and adopt a program for the operation and maintenance of the
2 nonpoint source pollution or storm water project, including the training of personnel,
3 as required by the department.

4 **(8s) INELIGIBILITY FOR AND LIMITATION ON FINANCIAL ASSISTANCE.** (a) A person or
5 municipality that has failed to substantially comply, as specified by the rules
6 promulgated under sub. (12), with the terms of a federal or state grant or loan used
7 to pay the cost of studies, investigations, plans, designs or construction associated
8 with implementing a nonpoint source control management program is not eligible
9 for financial assistance from the urban storm water loan program.

10 (b) The amount of a payment under sub. (2r) (d) may not exceed the amount of
11 subsidy necessary to reduce the interest rate on the loan from market rate to the
12 interest rate that would have been charged on a loan to the local governmental unit
13 under sub. (2r) (a).

14 **(9) FINANCIAL ASSISTANCE COMMITMENTS.** The department and the department
15 of administration may, at the request of a local governmental unit, issue a notice of
16 financial assistance commitment after the local governmental unit's application for
17 urban storm water financial assistance has been approved under sub. (7) and
18 funding has been allocated under sub. (8) for the local governmental unit's project.
19 The notice of financial assistance commitment shall specify the conditions that the
20 local governmental unit must meet to secure financial assistance and shall include
21 the estimated repayment schedules and other terms of the financial assistance.

22 **(10) DEADLINE FOR CLOSING.** If funding is allocated to a project under sub. (8)
23 for a loan and the loan is not closed before April 30 of the year following the year in
24 which funding is allocated, the department of administration shall release the
25 funding allocated to the project.

1 **(11) LOAN INTEREST RATES.** (a) Except as provided under par. (b), the interest
2 rate on an urban storm water loan program loan shall be 55% of market interest rate.

3 (b) The department and the department of administration jointly may request
4 the joint committee on finance to take action under s. 13.101 (11) to modify the
5 percentage of market interest under par. (a).

6 **(11m) SERVICE FEE.** The department and the department of administration
7 may jointly charge and collect an annual service fee for reviewing and acting upon
8 urban storm water loan program applications and servicing financial assistance
9 agreements. The fee shall be in addition to interest payments at the rate under sub.
10 (11). The department and the department of administration shall specify any fee in
11 the biennial finance plan and shall design the fee to cover the costs of reviewing and
12 acting upon urban storm water loan program applications and servicing financial
13 assistance agreements.

14 **(12) DUTIES OF THE DEPARTMENT.** The department shall do all of the following:

15 (a) Promulgate rules establishing eligibility criteria for applicants and projects
16 under this section.

17 (b) Promulgate rules that are necessary for the execution of its responsibilities
18 under the urban storm water loan program.

19 (c) Cooperate with the department of administration in administering the
20 urban storm water loan program.

21 (d) By May 1 of each even-numbered year, prepare and submit to the
22 department of administration a biennial needs list that includes all of the following
23 information:

1 1. A list of urban storm water projects that the department estimates will apply
2 for financial assistance under the urban storm water loan program during the next
3 biennium.

4 2. The estimated cost and estimated construction schedule of each project on
5 the list, and the total of the estimated costs of all projects on the list.

6 3. The estimated rank of each project on the priority list under sub. (6).

7 (e) Submit a biennial budget request under s. 16.42 for the urban storm water
8 loan program.

9 (f) Have the lead state role with the federal environmental protection agency
10 concerning the urban storm water loan program.

11 (g) Have the lead state role with local governmental units in providing urban
12 storm water loan program information, and cooperate with the department of
13 administration in providing that information to local governmental units.

14 (h) Inspect periodically urban storm water loan program project construction
15 to determine project compliance with construction plans and specifications approved
16 by the department and the requirements of the urban storm water loan program.”.

17 **24.** Page 1413, line 23: after that line insert:

18 “(7g) RULES FOR URBAN STORM WATER LOAN PROGRAM. The department of natural
19 resources shall submit in proposed form the rules required under section 281.595
20 (12) of the statutes, as created by this act, to the legislative council staff under section
21 227.15 (1) of the statutes no later than February 1, 2000, and shall promulgate the
22 rules no later than December 31, 2000, unless action by the legislature under chapter
23 227 of the statutes prevents the department from meeting this deadline.”.

24

(END)