

1973 Senate Bill 411

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CHAPTER 296, Laws of 1973

(Vetoed in Part)

AN ACT to create 20.370 (5) (e) and 144.22 of the statutes, establishing aids to municipalities for water systems, granting rule-making authority and making an appropriation.

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

SECTION 1. At the appropriate place in the schedule in section 20.005 of the statutes, insert the following amounts for the purpose indicated:

20.370 Natural resources, department of	1973-74	1974-75
(5) ENVIRONMENTAL PROTECTION		
(e) Payments to municipalities	GPR A 1,000,000	1,000,000

SECTION 2. 20.370 (5) (e) of the statutes is created to read:

20.370 (5) (e) *Payments to municipalities.* The amounts in the schedule for payments to municipalities pursuant to agreements entered into under s. 144.22 (5).

SECTION 3. 144.22 of the statutes is created to read:

144.22 Financial assistance program; water systems. (1) There is established a state program of financial assistance to municipalities for financing the construction of potable water systems to assure the availability of water safe for human consumption and use. The program shall be administered by the department which shall make such rules as are necessary for the proper execution of the program.

(2) (a) The department shall establish criteria to determine those municipalities and projects which are eligible for the state program and shall determine appropriate priorities among the projects. Eligible projects are those for the construction of municipally owned additions to or modifications of and extensions of existing water systems as well as the construction of new systems used and useful primarily for the production, transmission, purification, storage, delivery or furnishing of water to or for the public for any purpose, or to a city, village, town, county or other governmental

unit of this state, except piping and fixtures inside buildings served and service pipes from the building to the watermain in the street.

(b) The department shall give highest priority to the projects of municipalities for which there is an urgent and vital need on the basis of present health hazards posed by existing facilities which serve residences and buildings presently in existence. ~~The department shall not provide funds to those problem areas where negligence on the part of local or state health officials permitted health hazards to be created.~~ Vetoed in Part

(c) The department shall then give other projects priority on the basis of criteria which shall include but not necessarily be limited to the present or potential health hazard, water quality not meeting state standards and low quality of the current water supply and water system, soil conditions, geology, the feasibility and practicality of the project, per capita costs of the project, per capita income of the residents in the municipality, the borrowing capacity of the municipality and the impact of the project on the orderly development of land in areas and municipalities in the vicinity of the project and the availability of federal funds for the project or the municipality. Municipalities commencing projects in previously developed areas subsequent to July 1, 1973, are eligible for agreements under sub. (5).

(3) Municipalities which desire to participate in the state program shall submit application for participation to the department. The application shall be in such form and include such information as the department prescribes.

(4) The department shall review an application for participation in the state program within 90 days of the receipt of the application. It shall determine those applications which meet the criteria under sub. (2), shall arrange the applications in appropriate priority order and shall notify the relevant municipalities of their respective priority status. If an application is rejected, the department shall notify the municipality and shall state in writing the reasons for rejection.

(5) (a) Upon approval of an application, the department may enter into an agreement with the municipality to pay from the appropriation under s. 20.370 (5) (e) an amount not to exceed 25% of the estimated reasonable costs of the approved project except as provided in par. (c). The agreement shall be for such duration and subject to such terms as the department may prescribe. The department shall not grant a municipality more than 10% of the funds available under s. 20.370 (5) (e) for a given year.

(b) In this subsection "estimated reasonable costs" may include the costs of preliminary planning to determine the economic and engineering feasibility of a proposed project, the engineering, architectural, legal, fiscal and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action necessary to the construction of the project and the erection, building, acquisition, modification, improvement or extension of water system facilities and the inspection and supervision of the construction of such facilities but shall exclude any costs for which the municipality receives federal financial assistance, other than federal loans which must be repaid by the municipality.

(c) The department may grant to a municipality an additional sum not to exceed 25% of the estimated reasonable cost of the approved project if the project is accorded the highest priority under sub. (2) (b) and if the fiscal capacity of the municipality is inadequate to secure financial credit on reasonable terms and conditions. Criteria for the adequacy of municipal fiscal capacity shall include the project cost per capita, median income and the relationship between current indebtedness and the equalized property valuation of the municipality.

(6) The department shall review and approve under s. 144.04 the plans and specifications of all facilities designed and constructed by agreement under this section prior to making payments under this section.

(7) Facilities whose construction is assisted under this section shall not be sold or leased to a privately owned public utility within 20 years after construction is completed without the consent of the legislature. The consent may be conditioned upon such terms as the legislature prescribes to protect the public interest, including the possibility of repayment to the state general fund by the municipality of all or part of the state financial assistance extended under this section.

(8) In this section "municipality" means "municipality" as defined in s. 144.01 (12) plus municipal public utilities created under ch. 66 or acquired under ch. 197 and municipal water districts created under ch. 198.
