



**ASSEMBLY AMENDMENT 4,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1997 ASSEMBLY BILL 61**

March 11, 1997 – Offered by Representative SCHNEIDER.

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

2 **1.** Page 2, line 10: delete “and granting rule-making authority” and substitute
3 “, safe drinking water programs, granting bonding authority, granting rule-making
4 authority and making appropriations”.

5 **2.** Page 2, line 11: before that line insert:

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

7 13.101 (11) The committee may approve a clean water fund program interest
8 rate change as specified under s. 281.58 (12) (f) or a safe drinking water loan program
9 interest rate change as specified under s. 281.61 (11) (b).

10 **SECTION 1bg.** 13.48 (26) of the statutes is amended to read:

11 13.48 (26) (title) ~~CLEAN-WATER~~ ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE
12 PLAN APPROVAL. The building commission shall review the versions of the biennial

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

23 **SECTION 1bm.** 18.06 (9) of the statutes is amended to read:

24 18.06 **(9)** (title) CLEAN WATER FUND PROGRAM BONDS. Notwithstanding sub. (4),
25 the sale of bonds under this subchapter to provide revenue for the clean water fund

1 program may be a private sale to the ~~clean water~~ environmental improvement fund
2 under s. 25.43, if the bonds sold are held or owned by the ~~clean water~~ environmental
3 improvement fund, or a public sale, as provided in the authorizing resolution.

4 **SECTION 1c.** 18.57 (3) of the statutes is amended to read:

5 18.57 (3) Moneys in such funds may be commingled only for the purpose of
6 investment with other public funds, but they shall be invested only in investment
7 instruments permitted in s. 25.17 (3) (dg) or in ~~clean water~~ environmental
8 improvement fund investment instruments permitted in s. 281.59 (2m). All such
9 investments shall be the exclusive property of such fund and all earnings on or
10 income from investments shall be credited to such fund and shall become available
11 for any of the purposes under sub. (2) and for the payment of interest on related
12 revenue obligations.

13 **SECTION 1cm.** 20.320 (intro.) of the statutes is amended to read:

14 **20.320 (title) ~~Clean water fund~~ Environmental improvement program.**

15 (intro.) There is appropriated for the ~~clean water fund~~ environmental improvement
16 program:

17 **SECTION 1d.** 20.320 (1) (title) of the statutes is amended to read:

18 20.320 (1) (title) CLEAN WATER FUND PROGRAM OPERATIONS.

19 **SECTION 1dm.** 20.320 (1) (a) of the statutes is amended to read:

20 20.320 (1) (a) (title) *Environmental aids — clean water fund program.* The
21 amounts in the schedule to be paid into the environmental improvement fund for the
22 clean water fund program under s. 281.58.

23 **SECTION 1e.** 20.320 (1) (c) of the statutes is amended to read:

24 20.320 (1) (c) (title) *Principal repayment and interest — clean water fund*
25 *program*. A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal

1 and interest costs incurred in transferring moneys from s. 20.866 (2) (tc) to the clean
2 water environmental improvement fund for the purposes specified in ~~s. 25.43 (3) of~~
3 the clean water fund program under s. 281.58.

4 **SECTION 1em.** 20.320 (1) (q) of the statutes is amended to read:

5 20.320 (1) (q) (title) *Clean water fund program revenue obligation funding.* As
6 a continuing appropriation, all proceeds from revenue obligations issued under
7 subch. II or IV of ch. 18, as authorized under s. 281.59 (4) and deposited in the fund
8 in the state treasury created under s. 18.57 (1), providing for reserves and for
9 expenses of issuance and management of the revenue obligations, and the remainder
10 to be transferred to the ~~clean water~~ environmental improvement fund for the
11 purposes ~~specified in s. 25.43 (3) of the clean water fund program under s. 281.58.~~
12 Estimated disbursements under this paragraph shall not be included in the schedule
13 under s. 20.005.

14 **SECTION 1f.** 20.320 (1) (r) of the statutes is amended to read:

15 20.320 (1) (r) (title) *Clean water fund program repayment of revenue*
16 *obligations.* From the ~~clean water~~ environmental improvement fund, a sum
17 sufficient to repay the fund in the state treasury created under s. 18.57 (1) the
18 amount needed to retire revenue obligations issued under subch. II or IV of ch. 18,
19 as authorized under s. 281.59 (4).

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

21 20.320 (1) (s) (title) *Clean water fund program financial assistance.* From the
22 ~~clean water~~ environmental improvement fund, a sum sufficient for the purposes of
23 ~~ss. 25.43, providing clean water fund program financial assistance under s. 281.58~~
24 ~~and 281.59, other than general program operations specified under s. 20.370 (2) (mt)~~

1 or (mx) or 20.505 (1) (v) or (x) and other than administration of ss. 25.43, 281.58 and
2 281.59.

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

4 20.320 (1) (t) (title) *Principal repayment and interest — clean water fund*
5 *program bonds.* From the ~~clean water~~ environmental improvement fund, the
6 amounts in the schedule to reimburse s. 20.866 (1) (u) for the payment of principal
7 and interest costs incurred in transferring moneys from s. 20.866 (2) (tc) to the ~~clean~~
8 ~~water~~ environmental improvement fund for the purposes specified in ~~s. 25.43 (3) of~~
9 the clean water fund program under s. 281.58. Fifty percent of all moneys received
10 from municipalities as payment of interest on loans or portions of loans under ~~ss.~~
11 ~~144.241 and 144.2415~~ s. 281.58 the revenues of which have not been pledged to
12 secure revenue obligations shall be credited to this appropriation account.

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

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

24 **SECTION 1h.** 20.320 (2) of the statutes is created to read:

1 20.320 (2) SAFE DRINKING WATER LOAN PROGRAM OPERATIONS. (c) *Principal*
2 *repayment and interest — safe drinking water loan program.* A sum sufficient to
3 reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred
4 in financing the safe drinking water loan program under s. 20.866 (2) (td).

5 (s) *Safe drinking water programs financial assistance.* From the
6 environmental improvement fund, a sum sufficient for financial assistance under
7 the safe drinking water loan program under s. 281.61 and for other drinking water
8 quality activities under s. 281.62.

9 (x) *Safe drinking water programs financial assistance; federal.* From the safe
10 drinking water loan 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 safe drinking water loan program under s.
13 281.61, as authorized by the governor under s. 16.54, for financial assistance under
14 the safe drinking water loan program under s. 281.61 and for other drinking water
15 quality activities under s. 281.62.

16 **SECTION 1hm.** 20.370 (2) (mt) of the statutes is amended to read:

17 20.370 (2) (mt) (title) *General program operations — ~~clean water fund program~~*
18 *environmental improvement programs; state funds.* From the ~~clean water~~
19 environmental improvement fund, the amounts in the schedule for general program
20 operations under s. 281.58 ~~or~~ 281.59, 281.61 or 281.62.

21 **SECTION 1i.** 20.370 (2) (mx) of the statutes is amended to read:

22 20.370 (2) (mx) *General program operations — clean water fund program;*
23 *federal funds.* As a continuing appropriation, from the clean water fund program
24 federal revolving loan fund account in the ~~clean water~~ environmental improvement

1 fund, the amounts in the schedule for general program operations of the clean water
2 fund program under s. 281.58 or 281.59.

3 **SECTION 1im.** 20.370 (2) (mz) of the statutes is created to read:

4 20.370 (2) (mz) *General program operations — safe drinking water loan*
5 *programs; federal funds.* As a continuing appropriation, from the safe drinking
6 water loan program federal revolving loan fund account in the environmental
7 improvement fund, the amounts in the schedule for general program operations of
8 the safe drinking water loan program under s. 281.59 or 281.61 and other drinking
9 water quality activities under s. 281.62.

10 **SECTION 1j.** 20.370 (6) (mu) of the statutes is amended to read:

11 20.370 (6) (mu) (title) *Aids administration — ~~clean water fund program~~*
12 *environmental improvement programs; state funds.* From the ~~clean water~~
13 environmental improvement fund, the amounts in the schedule for the
14 administration of ~~s. ss. 281.58, 281.61 and 281.62.~~

15 **SECTION 1jm.** 20.370 (6) (mx) of the statutes is amended to read:

16 20.370 (6) (mx) *Aids administration — clean water fund program; federal*
17 *funds.* From the clean water fund program federal revolving loan fund account in
18 the ~~clean water~~ environmental improvement fund, all moneys received from the
19 federal government to administer the clean water fund program, as authorized by
20 the governor under s. 16.54, for the administration of the clean water fund program
21 under s. 281.58 or 281.59.

22 **SECTION 1k.** 20.370 (6) (my) of the statutes is created to read:

23 20.370 (6) (my) *Aids administration — safe drinking water programs; federal*
24 *funds.* From the safe drinking water loan program federal revolving loan fund
25 account in the environmental improvement fund, all moneys received from the

1 federal government to administer the safe drinking water programs, as authorized
2 by the governor under s. 16.54, for the administration of the safe drinking water loan
3 program under s. 281.59 or 281.61 and other drinking water quality activities under
4 s. 281.62.

5 **SECTION 1km.** 20.370 (8) (mr) of the statutes is amended to read:

6 20.370 (8) (mr) (title) *General program operations — ~~clean-water~~*
7 *environmental improvement fund*. From the ~~clean-water~~ environmental
8 improvement fund, the amounts in the schedule for the general administration and
9 field administration of the department.

10 **SECTION 1L.** 20.505 (1) (v) of the statutes is amended to read:

11 20.505 (1) (v) (title) *General program operations — ~~clean-water fund program~~*
12 *environmental improvement programs; state funds*. From the ~~clean-water~~
13 environmental improvement fund, the amounts in the schedule for general program
14 operations under s. 281.58 ~~or~~, 281.59 or 281.61.

15 **SECTION 1Lm.** 20.505 (1) (x) of the statutes is amended to read:

16 20.505 (1) (x) *General program operations — ~~clean water fund program; federal~~*
17 *funds*. As a continuing appropriation, from the clean water fund program federal
18 revolving loan fund account in the ~~clean-water~~ environmental improvement fund,
19 the amounts in the schedule for general program operations of the clean water fund
20 program under s. 281.58 or 281.59.

21 **SECTION 1m.** 20.505 (1) (y) of the statutes is created to read:

22 20.505 (1) (y) *General program operations — ~~safe drinking water loan program;~~*
23 *federal funds*. As a continuing appropriation, from the safe drinking water loan
24 program federal revolving loan fund account in the environmental improvement

1 fund, the amounts in the schedule for general program operations of the safe
2 drinking water loan program under s. 281.59 or 281.61.

3 **SECTION 1mm.** 20.536 (1) (ka) of the statutes is amended to read:

4 20.536 (1) (ka) (title) *General program operations; ~~clean-water~~ environmental*
5 *improvement fund.* All moneys received for providing services to the department of
6 administration or the department of natural resources in administering ss. 25.43,
7 281.58 ~~and, 281.59, 281.61 and 281.62,~~ for general program operations.

8 **SECTION 1n.** 20.866 (1) (u) of the statutes is amended to read:

9 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys
10 appropriated under sub. (2) (zp) and ss. 20.190 (1) (c), (i) and (j), 20.225 (1) (c), 20.245
11 (1) (e), (2) (e) and (j), (4) (e) and (5) (e), 20.250 (1) (e), 20.255 (1) (d), 20.285 (1) (d), (db),
12 (fh), (ih) and (kd) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (aq),
13 (ar), (at), (ba), (ca), (cb), (cc), (cd), (ea) and (eq), 20.395 (6) (aq) and (ar), 20.410 (1) (e),
14 (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d), 20.485 (1) (f) and
15 (go) and (3) (t), 20.505 (5) (g) and (kc) and 20.867 (1) (a) and (b) and (3) (a), (b), (g),
16 (h), (i) and (q) for the payment of principal and interest on public debt contracted
17 under subchs. I and IV of ch. 18.

18 **SECTION 1nm.** 20.866 (2) (tc) of the statutes is amended to read:

19 20.866 (2) (tc) (title) *Clean water fund program.* From the capital improvement
20 fund, a sum sufficient to be transferred to the ~~clean-water~~ environmental
21 improvement fund for the purposes of the clean water fund program under ss. 281.58
22 and 281.59. The state may contract public debt in an amount not to exceed
23 \$553,194,000 for this purpose. Of this amount, the amount needed to meet the
24 requirements for state deposits under 33 USC 1382 is allocated for those deposits.

1 Of this amount, \$8,250,000 is allocated to fund the minority business development
2 and training program under s. 66.905 (2) (b).

3 **SECTION 1p.** 20.866 (2) (td) of the statutes is created to read:

4 20.866 (2) (td) *Safe drinking water loan program.* From the capital
5 improvement fund, a sum sufficient to be transferred to the environmental
6 improvement fund for the safe drinking water loan program under s. 281.61. The
7 state may contract public debt in an amount not to exceed \$22,000,000 for this
8 purpose.

9 **SECTION 1pm.** 25.17 (2) (d) of the statutes is amended to read:

10 25.17 (2) (d) Invest the ~~clean-water~~ environmental improvement fund, and
11 collect the principal and interest of all moneys loaned or invested from the ~~clean~~
12 ~~water~~ environmental improvement fund, as directed by the department of
13 administration under s. 281.59 (2m). In making such investment, the investment
14 board shall accept any reasonable terms and conditions that the department of
15 administration specifies and is relieved of any obligations relevant to prudent
16 investment of the fund, including those set forth under ch. 881.

17 **SECTION 1q.** 25.43 (title) and (1) (intro.) of the statutes are amended to read:

18 **25.43** (title) ~~Clean-water~~ **Environmental improvement fund.** (1) (intro.)

19 There is established a separate nonlapsible trust fund designated as the ~~clean-water~~
20 environmental improvement fund, to consist of all of the following:

21 **SECTION 1qm.** 25.43 (1) (am) of the statutes is created to read:

22 25.43 (1) (am) All capitalization grants provided by the federal government
23 under 42 USC 300j-12.

24 **SECTION 1r.** 25.43 (1) (b) of the statutes is amended to read:

1 25.43 (1) (b) All state funds appropriated or transferred to the ~~clean water~~
2 environmental improvement fund to meet the requirements for state deposits under
3 33 USC 1382.

4 **SECTION 1rm.** 25.43 (1) (bm) of the statutes is created to read:

5 25.43 (1) (bm) All state funds appropriated or transferred to the environmental
6 improvement fund to meet the requirements for state deposits under 42 USC
7 300j-12.

8 **SECTION 1s.** 25.43 (1) (c) of the statutes is amended to read:

9 25.43 (1) (c) All other appropriations and transfers of state funds to the ~~clean~~
10 water environmental improvement fund.

11 **SECTION 1sm.** 25.43 (1) (d) of the statutes is amended to read:

12 25.43 (1) (d) All gifts, grants and bequests to the ~~clean water~~ environmental
13 improvement fund.

14 **SECTION 1t.** 25.43 (1) (e) of the statutes is amended to read:

15 25.43 (1) (e) All repayments of principal and payment of interest on loans made
16 from the ~~clean water~~ environmental improvement fund and on obligations acquired
17 by the department of administration under s. 281.59 (12).

18 **SECTION 1tm.** 25.43 (1) (f) of the statutes is amended to read:

19 25.43 (1) (f) All moneys received by the ~~clean water~~ environmental
20 improvement fund from the proceeds of the sale of general or revenue obligations
21 under ch. 18 for the purpose of s. 20.866 (2) (tc) or (td) or 281.59 (4).

22 **SECTION 1u.** 25.43 (2) (a) of the statutes is amended to read:

23 25.43 (2) (a) There is established in the ~~clean water~~ environmental
24 improvement fund a clean water fund program federal revolving loan fund account
25 consisting of the capitalization grants under sub. (1) (a) and (b) and, except as

1 provided under sub. (2m) (b), all repayments under sub. (1) (e) and (g) of
2 capitalization grants under sub. (1) (a) and (b) and all moneys transferred to the
3 account under sub. (2m) (a).

4 **SECTION 1um.** 25.43 (2) (am) of the statutes is created to read:

5 25.43 (2) (am) There is established in the environmental improvement fund a
6 safe drinking water loan program federal revolving loan fund account consisting of
7 the capitalization grants under sub. (1) (am) and (bm), except as provided under sub.
8 (2m) (a), all repayments under sub. (1) (e) of capitalization grants under sub. (1) (am)
9 and (bm) and all moneys transferred to the account under sub. (2m) (b).

10 **SECTION 1v.** 25.43 (2) (b) of the statutes is amended to read:

11 25.43 (2) (b) There is established in the ~~clean-water~~ environmental
12 improvement fund a state revolving loan fund account consisting of all moneys in the
13 fund not included in accounts under par. (a), (am) or (c).

14 **SECTION 1vm.** 25.43 (2) (c) of the statutes is amended to read:

15 25.43 (2) (c) The department of administration may establish and change
16 accounts in the ~~clean-water~~ environmental improvement fund other than those
17 under pars. (a), (am) and (b). The department of administration shall consult the
18 department of natural resources before establishing or changing an account that is
19 needed to administer the ~~program~~ programs under s. ss. 281.58 and, 281.59 and
20 281.61.

21 **SECTION 1vs.** 25.43 (2m) of the statutes is created to read:

22 25.43 (2m) (a) In any year, the governor may transfer an amount that does not
23 exceed 33% of a capitalization grant under sub. (1) (am) provided in that year from
24 the account under sub. (2) (am) to the account under sub. (2) (a).

1 (b) In any year, the governor may transfer an amount that does not exceed 33%
2 of a capitalization grant under sub. (1) (am) provided in that year from the account
3 under sub. (2) (a) to the account under sub. (2) (am).

4 **SECTION 1w.** 25.43 (3) of the statutes is amended to read:

5 25.43 (3) Except for the purpose of investment as provided in s. 25.17 (2) (d),
6 the ~~clean water~~ environmental improvement fund may be used only for the purposes
7 authorized under ss. 20.320 (1) (r), (s) and (t) and (2) (s), 20.370 (2) (mt) ~~and~~, (mx) and
8 (mz), (6) (mu) ~~and~~, (mx) and (my) and (8) (mr), 20.505 (1) (v) ~~and~~, (x) and (y), 281.58
9 ~~and~~, 281.59, 281.61 and 281.62.”.

10 **3.** Page 2, line 11: substitute “**SECTION 1x**” for “**SECTION 1**”.

11 **4.** Page 17, line 10: after that line insert:

12 “**SECTION 87ag.** 66.36 (intro.) of the statutes is amended to read:

13 **66.36** (title) **Municipal financing; clean water fund project program**
14 **costs.** (intro.) Subject to the terms and conditions of its financial assistance
15 agreement, a municipality may repay financial assistance costs received ~~from~~ under
16 the clean water fund program under ss. 281.58 and 281.59 by any lawful method,
17 including any one of the following methods or any combination thereof:

18 **SECTION 87ar.** 281.58 (1) (ai) of the statutes is created to read:

19 281.58 (1) (ai) “Clean water fund program” means the program administered
20 under this section with financial management provided under s. 281.59.

21 **SECTION 87b.** 281.58 (1) (cg) of the statutes is amended to read:

22 281.58 (1) (cg) “Market interest rate” means the interest at the effective rate
23 of a revenue obligation issued by the state to fund a project loan or a portion of a
24 project loan ~~under this section and s. 281.59~~ the clean water fund program.

1 **SECTION 87bg.** 281.58 (2m) (a) of the statutes is amended to read:

2 281.58 **(2m)** (a) Administer its responsibilities under ~~this section and s. 281.59~~
3 the clean water fund program.

4 **SECTION 87br.** 281.58 (3m) (a) of the statutes is amended to read:

5 281.58 **(3m)** (a) A list of wastewater treatment projects that the department
6 estimates will apply for financial assistance under ~~this section and s. 281.59~~ the
7 clean water fund program during the next biennium.

8 **SECTION 87c.** 281.58 (6) (a) (intro.) of the statutes is amended to read:

9 281.58 **(6)** (a) (intro.) The department may determine whether a municipality
10 is eligible for financial assistance under ~~this section and s. 281.59~~ the clean water
11 fund program for any of the following:

12 **SECTION 87cg.** 281.58 (6) (b) (intro.) of the statutes is amended to read:

13 281.58 **(6)** (b) (intro.) The following methods of providing financial assistance
14 may be used under ~~this section and s. 281.59~~ the clean water fund program:

15 **SECTION 87cr.** 281.58 (6) (b) 8. of the statutes is amended to read:

16 281.58 **(6)** (b) 8. Providing payments to the board of commissioners of public
17 lands to reduce principal or interest payments, or both, on loans made to
18 municipalities under subch. II of ch. 24 by the board of commissioners of public lands
19 for projects that are eligible for financial assistance under ~~this section and s. 281.59~~
20 the clean water fund program.

21 **SECTION 87d.** 281.58 (7) (a) of the statutes is amended to read:

22 281.58 **(7)** (a) The department shall, by rule, establish criteria for determining
23 which applicants and which projects are eligible to receive financial assistance under
24 ~~this section and s. 281.59~~ the clean water fund program. The primary criteria for
25 eligibility shall be water quality and public health. The rules for clean water fund

1 projects funded from the account under s. 25.43 (2) (a) shall be consistent with 33
2 USC 1251 to 1376 and 33 USC 1381 to 1387 and the regulations promulgated
3 thereunder. The rules for clean water fund projects funded from the account under
4 s. 25.43 (2) (b) may be consistent with 33 USC 1251 to 1376 and 33 USC 1381 to 1387
5 and the regulations promulgated thereunder.

6 **SECTION 87dg.** 281.58 (7) (b) (intro.) of the statutes is amended to read:

7 281.58 (7) (b) (intro.) The department may determine whether a municipality
8 is eligible for financial assistance under ~~this section and s. 281.59~~ the clean water
9 fund program for any of the following types of projects:

10 **SECTION 87dr.** 281.58 (8) (a) (intro.) of the statutes is amended to read:

11 281.58 (8) (a) (intro.) The following are not eligible for financial assistance from
12 the clean water fund ~~under this section and s. 281.59~~ program:

13 **SECTION 87e.** 281.58 (8) (d) of the statutes is amended to read:

14 281.58 (8) (d) An unsewered municipality that is not constructing a treatment
15 work and will be disposing of wastewater in the treatment work of another
16 municipality is not eligible for financial assistance under ~~this section and s. 281.59~~
17 the clean water fund program until it executes an agreement under s. 66.30 with
18 another municipality to receive, treat and dispose of the wastewater of the
19 unsewered municipality.

20 **SECTION 87eg.** 281.58 (8) (g) of the statutes is amended to read:

21 281.58 (8) (g) The sum of all of the financial assistance to a municipality
22 approved under ~~this section and s. 281.59~~ the clean water fund program for a project
23 may not result in the municipality paying less than 30% of the cost of the project.

24 **SECTION 87er.** 281.58 (8) (i) of the statutes is amended to read:

1 281.58 (8) (i) After June 30, 1991, no municipality may receive for projects in
2 a biennium an amount that exceeds 35.2% of the amount approved by the legislature
3 under s. 281.59 ~~(3)(d)~~ (3e) (b) for that biennium.

4 **SECTION 87f.** 281.58 (8) (L) (intro.) of the statutes is amended to read:

5 281.58 (8) (L) (intro.) The total amount of capital cost loans made under ~~this~~
6 ~~section and s. 281.59~~ the clean water fund program may not exceed \$120,000,000,
7 and no capital cost loan funds may be released under ~~this section and s. 281.59~~ the
8 clean water fund program until the secretary of administration has found in writing
9 that all of the following facts have occurred:

10 **SECTION 87fg.** 281.58 (9) (a) of the statutes is amended to read:

11 281.58 (9) (a) After the department approves a municipality's facility plan
12 submitted under sub. (8s), the municipality shall submit an application for
13 participation to the department. The application shall be in such form and include
14 such information as the department and the department of administration prescribe
15 and shall include design plans and specifications that are approvably by the
16 department under this chapter. The department shall review applications for
17 participation in the clean water fund program ~~under this section and s. 281.59~~. The
18 department shall determine which applications meet the eligibility requirements
19 and criteria under subs. (6), (7), (8), (8m) and (13).

20 **SECTION 87fr.** 281.58 (9) (b) of the statutes is amended to read:

21 281.58 (9) (b) A municipality seeking financial assistance, except for a
22 municipality seeking a capital cost loan, for a project under ~~this section and s. 281.59~~
23 the clean water fund program shall complete an environmental analysis sequence
24 as required by the department by rule.

25 **SECTION 87g.** 281.58 (9) (c) of the statutes is amended to read:

1 281.58 (9) (c) If a municipality is serviced by more than one sewerage district
2 for wastewater pollution abatement, each service area of the municipality shall be
3 considered a separate municipality for purposes of obtaining financial assistance
4 under ~~this section and s. 281.59~~ the clean water fund program.

5 **SECTION 87gg.** 281.58 (9) (e) of the statutes is amended to read:

6 281.58 (9) (e) If the governor's recommendation, as set forth in the executive
7 budget bill, for the amount under s. 281.59 ~~(3)-(d)~~ (3e) (b), the amount available under
8 s. 20.866 (2) (tc) or the amount available under s. 281.59 (4) (f) for a biennium is 85%
9 or less of the amount of present value subsidy, general obligation bonding authority
10 or revenue bonding authority, respectively, requested for that biennium in the
11 biennial finance plan submitted under s. 281.59 (3) (bm) 1., the department shall
12 inform municipalities that, if the governor's recommendations are approved, clean
13 water fund program assistance during a fiscal year of that biennium will only be
14 available to municipalities that submit financial assistance applications by the June
15 30 preceding that fiscal year.

16 **SECTION 87gr.** 281.58 (9) (f) of the statutes is amended to read:

17 281.58 (9) (f) The fees collected under par. (d) shall be credited to the ~~clean~~
18 ~~water~~ environmental improvement fund.

19 **SECTION 87h.** 281.58 (9m) (c) of the statutes is amended to read:

20 281.58 (9m) (c) The department may approve an application under par. (a) in
21 a year only after the amount under s. 281.59 ~~(3)-(d)~~ (3e) (b) for the biennium in which
22 that year falls has been approved by the legislature under s. 281.59 ~~(3)-(d)~~ (3e) (b).

23 **SECTION 87hg.** 281.58 (9m) (e) of the statutes is amended to read:

24 281.58 (9m) (e) 1. Except as provided under par. (f) and sub. (13), if a sufficient
25 amount of subsidy is available under s. 281.59 ~~(3)-(d)~~ (3e) (b) for the municipality's

1 project, based on the calculation under s. 281.59 ~~(3)(i)~~ (3e)(f), when the department
2 approves the application under par. (a), the department of administration shall
3 allocate that amount to the project.

4 2. If a sufficient amount of subsidy is not available under s. 281.59 ~~(3)(d)~~ (3e)
5 (b) for the municipality's project when the department approves the application
6 under subd. 1., the department shall place the project on a list for allocation when
7 additional subsidy becomes available.

8 **SECTION 87hr.** 281.58 (9m) (f) (intro.) of the statutes is amended to read:

9 281.58 **(9m)** (f) (intro.) If the amount approved under s. 281.59 ~~(3)(d)~~ (3e)(b),
10 the amount available under s. 20.866 (2) (tc) or the amount available under s. 281.59
11 (4) (f) for a biennium is 85% or less of the amount of present value subsidy, general
12 obligation bonding authority or revenue bonding authority, respectively, requested
13 for that biennium in the biennial finance plan submitted under s. 281.59 (3) (bm) 1.,
14 all of the following apply:

15 **SECTION 87j.** 281.58 (9m) (g) of the statutes is amended to read:

16 281.58 **(9m)** (g) In allocating subsidy under this subsection, the department of
17 administration shall adhere to the amount approved by the legislature for each
18 biennium under s. 281.59 ~~(3)(d)~~ (3e)(b).

19 **SECTION 87jg.** 281.58 (12) (a) (intro.) of the statutes is amended to read:

20 281.58 **(12)** (a) (intro.) The types of projects for which municipalities may
21 receive loans under ~~this section and s. 281.59~~ the clean water fund program shall be
22 classified as follows for the purpose of setting the percentage of market interest rates
23 on loans funding such projects:

24 **SECTION 87jr.** 281.58 (12) (c) 1. of the statutes is amended to read:

1 281.58 (12) (c) 1. The percentage of market interest rates established shall, to
2 the extent possible, fully allocate the amount of public debt authorized under s.
3 20.866 (2) (tc), the amount authorized under s. 281.59 ~~(3) (d)~~ (3e) (b) and the amount
4 of revenue obligations authorized under s. 281.59 (4) (f).

5 **SECTION 87k.** 281.58 (13) (b) (intro.) of the statutes is amended to read:

6 281.58 (13) (b) (intro.) A municipality with an application that is approved
7 under sub. (9m) is eligible for financial hardship assistance for the project costs that
8 are eligible under ~~this section and s. 281.59~~ the clean water fund program, except for
9 costs to which sub. (8) (b), (c), (f) or (h) applies, if the municipality meets all of the
10 following criteria:

11 **SECTION 87kg.** 281.58 (13m) of the statutes is amended to read:

12 281.58 (13m) MINORITY BUSINESS DEVELOPMENT AND TRAINING PROGRAM. (a) The
13 department shall make grants to projects that are eligible for financial assistance
14 under ~~this section and s. 281.59~~ the clean water fund program and that are identified
15 as being part of the minority business development and training program under s.
16 66.905 (2) (b).

17 (b) Grants provided under this subsection are not included for the purposes of
18 determining under sub. (8) (i) the amount that a municipality may receive for
19 projects under ~~this section and s. 281.59~~ the clean water fund program. Grants
20 awarded under this subsection are not considered for the purposes of sub. (9m) (e)
21 or s. 281.59 ~~(3) (d)~~ (3e) (b).

22 **SECTION 87kr.** 281.58 (14) (b) (intro.) of the statutes is amended to read:

23 281.58 (14) (b) (intro.) As a condition of receiving financial assistance under
24 ~~this section and s. 281.59~~ the clean water fund program, a municipality shall do all
25 of the following:

1 **SECTION 87L.** 281.59 (title) of the statutes is amended to read:

2 **281.59** (title) ~~Clean water~~ **Environmental improvement fund program;**
3 **financial management.**

4 **SECTION 87Lg.** 281.59 (1) (a) of the statutes is renumbered 281.59 (1) (am).

5 **SECTION 87Lr.** 281.59 (1) (ag) of the statutes is created to read:

6 **281.59 (1)** (ag) “Clean water fund program” means the program administered
7 under s. 281.58, with financial management provided under this section.

8 **SECTION 87m.** 281.59 (1) (b) of the statutes is amended to read:

9 **281.59 (1)** (b) “Market interest rate” means the interest at the effective rate of
10 a revenue obligation issued by the state to fund a ~~project~~ loan or a portion of a ~~project~~
11 ~~loan under this section and s. 281.58~~ for a project under the clean water fund
12 program.

13 **SECTION 87mg.** 281.59 (1) (cm) of the statutes is created to read:

14 **281.59 (1)** (cm) “Safe drinking water loan program” means the program
15 administered under s. 281.61, with financial management provided under this
16 section.

17 **SECTION 87mr.** 281.59 (1) (d) of the statutes is amended to read:

18 **281.59 (1)** (d) “Subsidy” means the amounts provided by ~~the clean water~~ from
19 the environmental improvement fund to clean water fund program and safe drinking
20 water loan program projects receiving financial assistance under this section and s.
21 ~~281.58~~ for the following purposes:

22 1. To reduce the interest rate of clean water fund program and safe drinking
23 water loan program loans from market rate to a subsidized rate.

24 2. ~~To~~ For the clean water fund program only, to provide for financial hardship
25 assistance, including grants.

1 **SECTION 87n.** 281.59 (1m) of the statutes is created to read:

2 281.59 **(1m)** ESTABLISHMENT OF PROGRAMS. (a) There is established a clean
3 water fund program, administered under s. 281.58, with financial management
4 provided under this section.

5 (b) There is established a safe drinking water loan program, administered
6 under s. 281.61, with financial management provided under this section.

7 **SECTION 87ng.** 281.59 (2) (a) of the statutes is amended to read:

8 281.59 **(2)** (a) Administer its responsibilities under this section and ~~s. ss.~~ 281.58
9 and 281.61.

10 **SECTION 87nr.** 281.59 (2) (b) of the statutes is amended to read:

11 281.59 **(2)** (b) Cooperate with the department in administering the clean water
12 fund program and the safe drinking water loan program.

13 **SECTION 87p.** 281.59 (2) (c) of the statutes is amended to read:

14 281.59 **(2)** (c) Accept and hold any letter of credit from the federal government
15 through which the state receives federal capitalization grant payments and
16 disbursements to the ~~clean water~~ environmental improvement fund.

17 **SECTION 87pg.** 281.59 (2m) (title) of the statutes is amended to read:

18 281.59 **(2m)** (title) INVESTMENT MANAGEMENT; ~~CLEAN-WATER~~ ENVIRONMENTAL
19 IMPROVEMENT FUND.

20 **SECTION 87pr.** 281.59 (2m) (a) 1. of the statutes is amended to read:

21 281.59 **(2m)** (a) 1. Subject to par. (b), direct the investment board under s. 25.17
22 (2) (d) to make any investment of the ~~clean water~~ environmental improvement fund,
23 or in the collection of the principal and interest of all moneys loaned or invested from
24 such that fund.

25 **SECTION 87q.** 281.59 (2m) (b) 1. of the statutes is amended to read:

1 281.59 (2m) (b) 1. The action provides a financial benefit to the ~~clean water~~
2 environmental improvement fund.

3 **SECTION 87qg.** 281.59 (2m) (b) 2. of the statutes is amended to read:

4 281.59 (2m) (b) 2. The action does not contradict or weaken the purposes of the
5 ~~clean water~~ environmental improvement fund.

6 **SECTION 87qr.** 281.59 (3) (a) 1. of the statutes is amended to read:

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

9 **SECTION 87r.** 281.59 (3) (a) 2. of the statutes is amended to read:

10 281.59 (3) (a) 2. The total amount of financial assistance planned to be provided
11 or committed to municipalities for projects under the clean water fund program and
12 the safe drinking water loan program during the 4 fiscal years of the next 2 biennia.

13 **SECTION 87rg.** 281.59 (3) (a) 4. of the statutes is repealed.

14 **SECTION 87rr.** 281.59 (3) (a) 5. of the statutes is amended to read:

15 281.59 (3) (a) 5. Audited financial statements of the past operations and
16 activities of the ~~program under this section and s. 281.58, the estimated fund capital~~
17 ~~available in each of the next 4 fiscal years, and the projected clean water fund balance~~
18 ~~for each of the next 20 years given existing obligations and financial conditions~~ clean
19 water fund program and the safe drinking water loan program.

20 **SECTION 87s.** 281.59 (3) (a) 6. of the statutes is amended to read:

21 281.59 (3) (a) 6. An amount equal to the estimated present value of subsidies
22 for all clean water fund program loans and grants expected to be made for the
23 wastewater treatment projects listed in the biennial needs list under s. 281.58 (3m),
24 discounted at a rate of 7% per year to the first day of the biennium for which the
25 biennial finance plan is prepared.

1 **SECTION 87sg.** 281.59 (3) (a) 6m. of the statutes is created to read:

2 281.59 (3) (a) 6m. An amount equal to the estimated present value of subsidies
3 for all loans under the safe drinking water loan program to be made during the
4 biennium for which the biennial finance plan is prepared, discounted at a rate of 7%
5 per year to the first day of that biennium.

6 **SECTION 87sr.** 281.59 (3) (a) 7. of the statutes is amended to read:

7 281.59 (3) (a) 7. A discussion of the assumptions made in calculating the
8 amount amounts under subd. subs. 6. and 6m.

9 **SECTION 87t.** 281.59 (3) (a) 8. of the statutes is amended to read:

10 281.59 (3) (a) 8. The amount of any service fee expected to be charged under
11 s. 281.58 (9) (d) during the next biennium under this section to an applicant.

12 **SECTION 87tg.** 281.59 (3) (b) of the statutes is amended to read:

13 281.59 (3) (b) The department of administration and the department shall
14 consider as a guideline in preparing the portion of the biennial finance plan for the
15 clean water fund program that all state water pollution abatement general
16 obligation debt service costs should not exceed 50% of all general obligation debt
17 service costs to the state.

18 **SECTION 87tr.** 281.59 (3) (c), (d), (dm), (e), (f) and (i) of the statutes are
19 renumbered 281.59 (3e) (a), (b), (c), (d), (e) and (f), and 281.59 (3e) (a), (b) (intro.), (c),
20 (d), (e) and (f), as renumbered, are amended to read:

21 281.59 (3e) (a) No moneys ~~from the clean water fund~~ may be expended for the
22 clean water fund program in a biennium until the legislature reviews and approves
23 all of the following as part of the biennial budget act for the biennium:

1 1. An amount of present value of the subsidy for the clean water fund program
2 that is specified for that biennium under par. ~~(d)~~ (b) and is based on the amount
3 included in the biennial finance plan under ~~par. sub. (3)~~ (a) 6.

4 2. The amount of public debt, authorized under s. 20.866 (2) (tc), that the state
5 may contract for the purposes of ~~s. 281.58 and this section~~ the clean water fund
6 program.

7 3. The amount of revenue obligations, authorized under sub. (4) (f), that may
8 be issued for the purposes ~~specified in s. 25.43 (3)~~ of the clean water fund program.

9 (b) (intro.) The amount of present value of the subsidy for the clean water fund
10 program that is required to be specified under par. ~~(e)~~ (a) 1. and approved by the
11 legislature under this paragraph is as follows:

12 (c) The department of administration may allocate amounts approved under
13 par. ~~(d)~~ (b) as the present value of subsidies for financial assistance under ~~this section~~
14 ~~and s. 281.58~~ the clean water fund program, including financial hardship assistance
15 and assistance for the additional costs of approved projects. The department of
16 administration may allocate amounts from the amount approved under par. ~~(d)~~ (b)
17 for a biennium until December 30 of the fiscal year immediately following the
18 biennium for projects for which complete applications under s. 281.58 (9) (a) are
19 submitted before the end of the biennium.

20 (d) The department may expend, for financial assistance in a biennium other
21 than financial hardship assistance under s. 281.58 (13) (e), an amount up to 85% of
22 the amount approved by the legislature under par. ~~(d)~~ (b). The department may
23 expend such amount only from the percentage of the amount approved under par. ~~(d)~~
24 (b) that is not available under par. ~~(f)~~ (e) for financial hardship assistance.

1 (e) The department may expend, for financial hardship assistance in a
2 biennium under s. 281.58 (13) (e), an amount up to 15% of the amount approved by
3 the legislature under par. ~~(d)~~ (b) for that biennium. The department may expend
4 such amount only from the percentage of the amount approved by the legislature
5 under par. ~~(d)~~ (b) that is not available under par. ~~(e)~~ (d) for financial assistance.

6 (f) Using the amount approved under par. ~~(d)~~ (b) as a base, the department of
7 administration shall calculate the present value of the actual subsidy of each clean
8 water fund program loan or grant to be made for those projects in each biennium that
9 are approved for financial assistance by the 2 departments. The present value shall
10 be discounted as provided under ~~par. sub. (3)~~ (a) 6.

11 **SECTION 87u.** 281.59 (3) (j) of the statutes is amended to read:

12 281.59 **(3)** (j) No later than November 1 of each odd-numbered year, the
13 department of administration and the department jointly shall submit a report, to
14 the building commission and committees as required under par. (bm), on the
15 implementation of the amount established under ~~par. (d) sub. (3e) (b)~~ as required
16 under s. 281.58 (9m) (e), and on the operations and activities of the clean water fund
17 program and the safe drinking water loan program for the previous biennium.

18 **SECTION 87ug.** 281.59 (3e) (title) of the statutes is created to read:

19 281.59 **(3e)** (title) CLEAN WATER FUND PROGRAM EXPENDITURES.

20 **SECTION 87ur.** 281.59 (3s) of the statutes is created to read:

21 281.59 **(3s)** SAFE DRINKING WATER LOAN PROGRAM EXPENDITURES. (a) No moneys
22 may be expended for the safe drinking water loan program in a biennium until the
23 legislature reviews and approves all of the following as part of the biennial budget
24 act for the biennium:

1 1. An amount of present value of the subsidy for the safe drinking water loan
2 program that is specified for that biennium under par. (b) and is based on the amount
3 included in the biennial finance plan under sub. (3) (a) 6m.

4 2. The amount of public debt, authorized under s. 20.866 (2) (td), that the state
5 may contract for the purposes of the safe drinking water loan program.

6 (b) The amount of present value of the subsidy for the safe drinking water loan
7 program that is approved by the legislature under this paragraph is as follows:

8 1. Equal to \$18,000,000 during the 1997-99 biennium.

9 2. Equal to \$1,000 for any biennium after the 1997-99 biennium.

10 (c) The department of administration may allocate amounts approved under
11 par. (b) as the present value of subsidies for financial assistance under the safe
12 drinking water program.

13 (d) Using the amount approved under par. (b) as a base, the department of
14 administration shall calculate the present value of the actual subsidy of each safe
15 drinking water loan made for those projects in each biennium that are approved for
16 financial assistance. The present value shall be discounted as provided under sub.
17 (3) (a) 6m.

18 **SECTION 87v.** 281.59 (4) (am) of the statutes is amended to read:

19 281.59 (4) (am) Deposits, appropriations or transfers to the ~~clean water~~
20 environmental improvement fund for the purposes ~~specified in s. 25.43 (3) of the~~
21 clean water fund program may be funded with the proceeds of revenue obligations
22 issued subject to and in accordance with subch. II of ch. 18 or in accordance with
23 subch. IV of ch. 18 if designated a higher education bond.

24 **SECTION 87vg.** 281.59 (4) (c) of the statutes is amended to read:

1 281.59 (4) (c) The building commission may pledge any portion of revenues
2 received or to be received in the fund established in par. (b) or the ~~clean water~~
3 environmental improvement fund to secure revenue obligations issued under this
4 subsection. The pledge shall provide for the transfer to the ~~clean water~~
5 environmental improvement fund of all pledged revenues, including any interest
6 earned on the revenues, which are in excess of the amounts required to be paid under
7 s. 20.320 (1) (c) and (u) for the purposes ~~specified in s. 25.43 (3) of the clean water fund~~
8 program. The pledge shall provide that the transfers be made at least twice yearly,
9 that the transferred amounts be deposited in the ~~clean water~~ environmental
10 improvement fund and that the transferred amounts are free of any prior pledge.

11 **SECTION 87vr.** 281.59 (9) (a), (am) and (b) (intro.) and 1. of the statutes are
12 amended to read:

13 281.59 (9) (a) A loan approved under ~~this section and s. 281.58~~ the clean water
14 fund program or the safe drinking water loan program shall be for no longer than 20
15 years, as determined by the department of administration, be fully amortized not
16 later than 20 years after the original date of the note, and require the repayment of
17 principal and interest, if any, to begin not later than 12 months after the expected
18 date of completion of the project that it funds, as determined by the department of
19 administration.

20 (am) The department of administration, in consultation with the department,
21 may establish those terms and conditions of a financial assistance agreement that
22 relate to its financial management, including what type of municipal obligation, as
23 set forth under s. 66.36, is required for the repayment of the financial assistance.
24 Any terms and conditions established under this paragraph by the department of
25 administration shall comply with the requirements of this section and s. 281.58 or

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

5 (b) (intro.) As a condition of receiving financial assistance under ~~this section~~
6 ~~and s. 281.58, a municipality~~ the clean water fund program or the safe drinking
7 water loan program, an applicant shall do all of the following:

8 1. Pledge the security, if any, required by the rules promulgated by the
9 department of administration under this section and s. 281.58 or 281.61.

10 **SECTION 87w.** 281.59 (11) of the statutes is amended to read:

11 281.59 (11) FINANCIAL ASSISTANCE PAYMENTS. (a) The department of natural
12 resources and the department of administration may enter into a financial
13 assistance agreement with ~~a municipality~~ an applicant for which the department of
14 administration has allocated subsidy under s. 281.58 (9m) or 281.61 (8) if the
15 ~~municipality~~ applicant meets the conditions under sub. (9) ~~and s. 281.58 (14)~~ and the
16 other requirements under this section and s. 281.58 or 281.61.

17 (am) The department of administration shall make the financial assistance
18 payments to ~~a municipality which~~ an applicant that has entered into a financial
19 assistance agreement under par. (a) or to the ~~municipality's~~ applicant's designated
20 agent.

21 (b) If a municipality fails to make a principal repayment or interest payment
22 after its due date, the department of administration shall place on file a certified
23 statement of all amounts due under this section and s. 281.58 or 281.61. After
24 consulting the department, the department of administration may collect all
25 amounts due by deducting those amounts from any state payments due the

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

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

10 **SECTION 87wg.** 281.59 (13m) of the statutes is amended to read:

11 281.59 (13m) LEGISLATIVE MORAL OBLIGATION. The building commission may, at
12 the time the loan is made, by resolution designate a loan made under ~~this section and~~
13 ~~s. 281.58~~ the clean water fund program as one to which this subsection applies. If
14 at any time the payments received or expected to be received from a municipality on
15 any loan so designated are pledged to secure revenue obligations of the state issued
16 pursuant to subch. II of ch. 18 and are insufficient to pay when due principal of and
17 interest on such loan, the department of administration shall certify the amount of
18 such insufficiency to the secretary of administration, the governor and the joint
19 committee on finance. If the certification is received by the secretary of
20 administration in an even-numbered year before the completion of the budget under
21 s. 16.43, the secretary of administration shall include the certified amount in the
22 budget compilation. In any event, the joint committee on finance shall introduce in
23 either house, in bill form, an appropriation of the amount so requested for the
24 purpose of payment of the revenue obligation secured thereby. Recognizing its moral

1 obligation to do so, the legislature hereby expresses its expectation and aspiration
2 that, if ever called upon to do so, it shall make the appropriation.

3 **SECTION 87wr.** 281.59 (13s) of the statutes is amended to read:

4 281.59 (13s) POWERS. The department of administration may audit, or contract
5 for audits of, projects receiving financial assistance under ~~this section and s. 281.58~~
6 the clean water fund program and the safe drinking water loan program.

7 **SECTION 87x.** 281.59 (14) of the statutes is amended to read:

8 281.59 (14) RULES. The department of administration shall promulgate rules
9 that are necessary for the proper execution of this section and of its responsibilities
10 under ~~s. ss.~~ 281.58 and 281.61.

11 **SECTION 87xg.** 281.61 of the statutes is created to read:

12 **281.61 Safe drinking water loan program. (1) DEFINITIONS.** In this section:

13 (a) “Local governmental unit” means a city, village, town, county, town sanitary
14 district, public inland lake protection and rehabilitation district or municipal water
15 district.

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

19 (c) “Public water system” means a water system providing piped water to the
20 public for human consumption if the water system has at least 15 service connections
21 or regularly serves an average of at least 25 individuals daily for at least 60 days each
22 year.

23 (d) “Safe drinking water loan program” means the program administered
24 under this section, with financial management provided under s. 281.59.

1 **(2) GENERAL.** The department and the department of administration shall
2 administer a program to provide financial assistance to local governmental units for
3 projects for the planning, designing, construction or modification of public water
4 systems, if the projects will facilitate compliance with national primary drinking
5 water regulations under 42 USC 300g-1 or otherwise significantly further the health
6 protection objectives of the Safe Drinking Water Act, 42 USC 300f to 300j-26.

7 **(2g) INELIGIBLE PROJECTS.** A local governmental unit is not eligible for financial
8 assistance under this section if the local governmental unit does not have the
9 technical, managerial or financial capacity to ensure compliance with the Safe
10 Drinking Water Act, 42 USC 300f to 300j-26, or the public water system operated by
11 the local governmental unit is in significant noncompliance with any requirement
12 of a primary drinking water regulation or variance under 42 USC 300g-1 unless the
13 financial assistance will ensure compliance with the Safe Drinking Water Act.

14 **(2r) METHODS OF PROVIDING FINANCIAL ASSISTANCE.** The following methods of
15 providing financial assistance may be used under the safe drinking water loan
16 program:

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

18 (2).

19 (b) Purchasing or refinancing the obligation of a local governmental unit if the
20 obligation was incurred to finance the cost of a project described in sub. (2) and the
21 obligation was initially incurred after July 1, 1993.

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

1 (d) Providing payments to the board of commissioners of public lands to reduce
2 principal or interest payments, or both, on loans made to local governmental units
3 under subch. II of ch. 24 by the board of commissioners of public lands for projects
4 that are eligible for financial assistance under the safe drinking water loan program.

5 **(3) NOTICE OF INTENT TO APPLY.** (a) A local governmental unit shall submit notice
6 of its intent to apply for financial assistance under the safe drinking water loan
7 program at least 6 months before the beginning of the fiscal biennium in which it
8 intends to receive the financial assistance. The notice shall be in a form prescribed
9 by the department and the department of administration.

10 (b) If a local governmental unit does not apply for financial assistance by April
11 30 of the 2nd year following the year in which it submitted notice under par. (a), the
12 local governmental unit shall submit a new notice under par. (a).

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

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

18 **(5) APPLICATION.** After the department approves a local governmental unit's
19 engineering report submitted under sub. (4), the local governmental unit shall
20 submit an application for safe drinking water financial assistance to the department.
21 The applicant shall submit the application before the April 30 preceding the
22 beginning of the fiscal year in which the applicant wishes to receive the financial
23 assistance. The application shall be in the form and include the information required
24 by the department and the department of administration and shall include plans and

1 specifications that are approvable by the department under this section. An
2 applicant may not submit more than one application per project per year.

3 **(6) PRIORITY LIST.** The department shall establish a priority list that ranks each
4 safe drinking water loan program project. The department shall promulgate rules
5 for determining project rankings that, to the extent possible, give priority to projects
6 that address the most serious risks to human health, that are necessary to ensure
7 compliance with the Safe Drinking Water Act, 42 USC 300f to 300j-26, and that
8 assist local governmental units that are most in need on a per household basis,
9 according to affordability criteria specified in the rules.

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

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

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

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

17 (d) The legislature has approved an amount under s. 281.59 (3s) (b) 1. for the
18 biennium.

19 **(8) FUNDING LIST; ALLOCATION OF FUNDING.** (a) The department shall establish
20 a funding list for each fiscal year that ranks projects of local governmental units that
21 submit approvable applications under sub. (5) in the same order that they appear on
22 the priority list under sub. (6). If sufficient funds are not available to fund all
23 approved applications for financial assistance, the department of administration
24 shall allocate funding to projects that are approved under sub. (7) in the order that
25 they appear on the funding list, except as follows:

1 1. The department of administration shall allocate to projects for public water
2 systems that regularly serve fewer than 10,000 persons 15% of the available funds
3 in each fiscal year or such lesser amount that fully funds the eligible projects for
4 those public water systems.

5 2. In any biennium, no local governmental unit may receive more than 25% of
6 the amount established under s. 281.59 (3s) (b) for that biennium.

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

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

13 (a) Establish a dedicated source of revenue for the repayment of the financial
14 assistance.

15 (b) Comply with those provisions of 42 USC 300f to 300j-26 and this chapter
16 and the regulations and rules promulgated under those provisions that the
17 department specifies.

18 (c) Develop and adopt a program of water conservation as required by the
19 department.

20 (d) Develop and adopt a program of systemwide operation and maintenance of
21 the public water system, including the training of personnel, as required by the
22 department.

23 (e) Develop and adopt a user fee system.

24 **(9)** FINANCIAL ASSISTANCE COMMITMENTS. The department and the department
25 of administration may, at the request of a local governmental unit, issue a notice of

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

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

11 **(11) LOAN INTEREST RATES.** (a) Except as provided under par. (b), the interest
12 rate on a safe drinking water loan program loan shall be as follows:

13 1. For a local governmental unit that does not meet financial eligibility criteria
14 established by the department by rule, 55% of market interest rate.

15 2. For a local governmental unit that meets financial eligibility criteria
16 established by the department by rule, 33% of market interest rate.

17 (b) The department and the department of administration jointly may request
18 the joint committee on finance to take action under s. 13.101 (11) to modify the
19 percentage of market interest rate under par. (a) 1. or 2.

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 safe drinking water loan program.

1 (c) Cooperate with the department of administration in administering the safe
2 drinking 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 drinking water projects that the department estimates will apply
7 for financial assistance under the safe drinking 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 safe drinking water
13 loan program.

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

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

19 (h) Inspect periodically safe drinking 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 safe drinking water loan program.

22 **(13) CAPITALIZATION GRANT.** The department may enter into an agreement
23 under 42 USC 300j-12 (a), with the federal environmental protection agency to
24 receive a capitalization grant for the safe drinking water loan program.

25 **SECTION 87xr.** 281.62 of the statutes is created to read:

1 **281.62 Other drinking water quality activities. (1)** In this section:

2 (a) “Community water system” means a public water system that serves at
3 least 15 service connections used by year-round residents of the area served by the
4 public water system or that regularly serves at least 25 year-round residents.

5 (b) “Noncommunity water system” means a public water system that is not a
6 community water system.

7 (c) “Public water system” has the meaning given in s. 281.61 (1) (c).

8 **(2)** (a) With the approval of the department of administration, the department
9 may expend funds from the appropriation accounts under s. 20.320 (2) (s) and (x) for
10 any of the following:

11 1. Providing a loan to the owner of a community water system or a nonprofit
12 noncommunity water system to acquire land or a conservation easement from a
13 willing seller or grantor to protect the source water of the water system from
14 contamination and to ensure compliance with national primary drinking water
15 regulations under 42 USC 300g-1.

16 2. Providing a loan to the owner of a community water system to do any of the
17 following:

18 a. Implement voluntary source water protection measures in areas delineated
19 as provided in 42 USC 300j-13 in order to facilitate compliance with national
20 primary drinking water regulations under 42 USC 300g-1 or otherwise significantly
21 further the health protection objectives of the Safe Drinking Water Act, 42 USC 300f
22 to 300j-26.

23 b. Implement a program for source water quality protection partnerships as
24 provided in 42 USC 300j-14.

1 3. Assisting the owner of a public water system to develop the technical,
2 managerial and financial capacity to comply with national primary drinking water
3 regulations under 42 USC 300g-1.

4 4. Delineating or assessing source water protection areas as provided under 42
5 USC 300j-13.

6 5. Protecting wellhead areas from contamination as provided in 42 USC
7 300h-7.

8 (b) In any fiscal year, the department may not expend under par. (a) more than
9 15% of the funds provided under 42 USC 300j-12 in that fiscal year. In any fiscal
10 year, the department may not expend under par. (a) 1., 2., 3., 4. or 5. more than 10%
11 of the funds provided under 42 USC 300j-12 in that fiscal year.

12 **(3)** (a) With the approval of the department of administration, the department
13 may expend funds from the appropriation accounts under s. 20.320 (2) (s) and (x) for
14 any of the following:

15 1. Public water system supervision as provided in 42 USC 300j-2 (a).

16 2. Technical assistance concerning source water protection.

17 3. Developing and implementing a capacity development strategy required
18 under 42 USC 300g-9 (c).

19 4. Operator certification required under 42 USC 300g-8.

20 (b) In any fiscal year, the department may not expend under par. (a) more than
21 10% of the funds provided under 42 USC 300j-12 in that fiscal year.

22 **(4)** With the approval of the department of administration, the department
23 may expend funds from the appropriation accounts under s. 20.320 (2) (s) and (x) to
24 provide technical assistance to public water systems serving 10,000 or fewer persons.

1 In any fiscal year, the department may not expend under this subsection more than
2 2% of the funds provided under 42 USC 300j-12 in that fiscal year.”

3 (END)