



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1186/P7
MCP:cjs&kjf:jm

DOA:.....Byrnes, BB0419 - Changes to the programs funded by the
Environmental Improvement Fund

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

ENVIRONMENT

WATER QUALITY

Under the environmental improvement fund, this state provides financial assistance to local governmental units for certain projects. The environmental improvement fund is made up of three programs: the clean water fund program provides financial assistance for projects to control water pollution, such as sewage treatment plants; the safe drinking water loan program provides financial assistance for projects to construct or modify public water systems that help comply with national drinking water regulations; and the land recycling loan program provides financial assistance for projects to clean up contaminated land. The environmental improvement fund is jointly administered by the DOA and DNR.

As part of the biennial budget process, the DOA and DNR must prepare a biennial finance plan that includes an estimate of the present value of the subsidies for all financial assistance that will be made under these programs for the fiscal biennium. The legislature then sets a limit, in the budget act for the biennium, on the present value of the subsidies that may be provided during that biennium. For financial assistance such as a loan at a subsidized interest rate, the present value subsidy represents the cost in today's dollars to provide 20 years of subsidy for the

financial assistance provided in the current biennium, and is intended to equal the amount the state would expend, but not be repaid, for a given project if the entire subsidy were provided in the year the loan was made. For financial assistance that is not paid out over time or repaid, such as a financial hardship assistance grant under the clean water fund program, the present value subsidy is the amount of the grant. The present value subsidy limit acts as a cap on all financial assistance that may be provided through these programs during the biennium.

This bill eliminates the present value subsidy limit. Under the bill, the DOA and DNR are not required to estimate the present value subsidy in the biennial finance plan, and the legislature does not set a present value subsidy limit for these programs for the biennium.

Instead, under the bill, the biennial finance plan must contain the amount DOA determines will be available to provide financial assistance for projects under these programs during the biennium. The legislature does not set a limit on how much financial assistance may be provided in a biennium. During the biennium, if a sufficient amount is available to provide financial assistance for a project, that amount must be allocated for the project.

Currently, the interest rates for subsidized loans provided under the environmental improvement programs are based on percentages of the market interest rate. Under current law, the market interest rate is the interest rate on a fixed-rate revenue obligation issued by the state. Under this bill, if interest rates have changed significantly between the time that a fixed-rate revenue obligation is issued and the date financial assistance is allocated, or if no fixed-rate revenue obligation is issued, then the DOA may set the market interest rate at the rate the DOA determines would have applied if a fixed-rate revenue obligation had been issued on the date the financial assistance was allocated.

Under the clean water fund program, financial assistance may only be provided to construct water systems in an unsewered municipality if at least two-thirds of the initial flow from the new system will be for wastewater from residences that have been in existence since October 17, 1972. This bill instead requires at least two-thirds of the initial flow to be from wastewater from residences in existence for at least 20 years.

In addition, connection laterals and sewer lines that transport wastewater from structures to municipally owned or individually owned wastewater systems are not currently eligible for financial assistance under the clean water fund program. This bill creates an exception that allows connection laterals and sewer lines to be eligible for financial assistance if water other than wastewater is entering the connection lateral or sewer line from below-ground or above-ground sources and is being transported from a nonindustrial structure in a way that may interfere with a publicly owned treatment work's compliance with a Wisconsin Pollutant Discharge Elimination System (WPDES) permit.

Currently, only local governmental units are eligible under the safe drinking water loan program for loans to construct or modify a public water system, which is a system that provides piped water to the public. This bill extends eligibility to private owners of community water systems and nonprofit noncommunity water

systems. A community water system is a public water system of a certain size; a noncommunity water system is a public water system that is smaller than a community water system. Under this bill, these private owners are subject to many of the same requirements as local governmental units that apply for loans under the safe drinking water loan program, including complying with the federal safe drinking water act, although private owners are not required to adopt a water conservation program, a maintenance program, or a user fee system.

Finally, this bill increases the general obligation bonding authority for the safe drinking water loan program by \$7,500,000 for the 2015-17 biennium.

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

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

SECTION 1. 20.866 (2) (td) of the statutes is amended to read:

20.866 (2) (td) *Safe drinking water loan program.* From the capital improvement fund, a sum sufficient to be transferred to the environmental improvement fund for the safe drinking water loan program under s. 281.61. The state may contract public debt in an amount not to exceed ~~\$60,200,000~~ \$67,700,000 for this purpose.

SECTION 2. 25.43 (1) (h) of the statutes is amended to read:

25.43 (1) (h) The fees imposed under ss. 281.58 (9) (d) ~~and~~, 281.60 (11m), ~~and~~ 281.61 (5) (b).

SECTION 3. 234.86 (1) (c) of the statutes is amended to read:

234.86 (1) (c) "Local governmental unit" has the meaning given in s. 281.61 (1) (a) ~~(am)~~, except that the term does not include a joint local water authority created under s. 66.0823.

SECTION 4. 281.58 (8) (a) 2. of the statutes is amended to read:

281.58 (8) (a) 2. Connection laterals and sewer lines that transport wastewater from structures to municipally owned or individually owned wastewater systems,

unless water other than wastewater is entering the connection laterals or sewer lines from the ground or from above-ground sources and is being transported from a nonindustrial structure in a way that may interfere with compliance with a permit issued to a publicly owned treatment work under ch. 283.

SECTION 5. 281.58 (8) (c) of the statutes is amended to read:

281.58 (8) (c) Except as provided in par. (k), financial assistance may be provided for the design, planning and construction of a collection system, interceptor or individual system project in an unsewered municipality or an unsewered area of a municipality, only if the department finds that at least two-thirds of the initial flow will be for wastewater originating from residences in existence ~~on October 17, 1972~~ for at least 20 years prior to the submission of the application under sub. (9) (a).

SECTION 6. 281.58 (8) (i) of the statutes is amended to read:

281.58 (8) (i) After June 30, 1991, no municipality may receive for projects in a biennium an amount that exceeds 35.2% of the amount ~~approved by the legislature under s. 281.59 (3e) (b)~~ that the department of administration projects will be available to provide financial assistance for projects under this section for that biennium.

SECTION 7. 281.58 (8) (j) of the statutes is amended to read:

281.58 (8) (j) The amount of a payment under sub. (6) (b) 8. may not exceed the amount ~~of subsidy~~ necessary to reduce the interest rate on the loan from market rate to the interest rate that would have been charged on a loan to the municipality under sub. (6) (b) 4.

SECTION 8. 281.58 (9) (e) of the statutes is amended to read:

281.58 (9) (e) If the department of natural resources and the department of administration determine that ~~the governor's recommendation, as set forth in the~~

~~executive budget bill, for the amount under s. 281.59 (3e) (b), the amount available under s. 20.866 (2) (tc), or the amount available under s. 281.59 (4) (f) the total amount that the department of administration projects will be available to provide financial assistance for projects under this section for a biennium, as set forth in the biennial finance plan under s. 281.59 (3) (a) 2. and as updated under s. 281.59 (3) (bm) 2., is insufficient to provide funding for all projects for which applications will be approved during that biennium, the department shall inform municipalities that, if the governor's recommendations are approved, clean water fund program assistance during a fiscal year of that biennium will be available only to municipalities that submit financial assistance applications by the June 30 preceding September 30 of that fiscal year.~~

SECTION 9. 281.58 (9m) (a) (intro.) of the statutes is amended to read:

281.58 **(9m)** (a) (intro.) Subject to ~~pars. (e) and par.~~ (d), the department shall approve an application after all of the following occur:

SECTION 10. 281.58 (9m) (c) of the statutes is repealed.

SECTION 11. 281.58 (9m) (e) 1. of the statutes is amended to read:

281.58 **(9m)** (e) 1. Except as provided under par. (f) and sub. (13), if a sufficient amount of ~~subsidy~~ financial assistance under this section is available under s. 281.59 ~~(3e) (b)~~ for the municipality's project, ~~based on the calculation under s. 281.59 (3e) (f),~~ when the department approves the application under par. (a), the department of administration shall allocate that amount to the project.

SECTION 12. 281.58 (9m) (e) 2. of the statutes is amended to read:

281.58 **(9m)** (e) 2. If a sufficient amount of ~~subsidy~~ financial assistance under this section is not available under s. 281.59 ~~(3e) (b)~~ for the municipality's project when the department approves the application under ~~subd. 1. par. (a),~~ the

department shall place the project on a list for allocation when additional ~~subsidy~~ becomes financial assistance becomes available.

SECTION 13. 281.58 (9m) (f) (intro.) of the statutes is amended to read:

281.58 **(9m)** (f) (intro.) If the department of natural resources and the department of administration determine that the amount ~~approved under s. 281.59 (3e) (b), the amount available under s. 20.866 (2) (tc), or the amount available under s. 281.59 (4) (f)~~ available to provide financial assistance for projects under this section for a biennium is insufficient to provide funding for all projects for which applications will be approved during that biennium, all of the following apply:

SECTION 14. 281.58 (9m) (f) 1. of the statutes is amended to read:

281.58 **(9m)** (f) 1. The department shall establish a funding list for each fiscal year of the biennium that ranks projects of municipalities that submit financial assistance applications under sub. (9) (a) no later than the ~~June 30 preceding September 30~~ September 30 of the fiscal year in the same order that they appear on the priority list under sub. (8e).

SECTION 15. 281.58 (9m) (fm) of the statutes is amended to read:

281.58 **(9m)** (fm) The department, in consultation with the department of administration, shall promulgate, by rule, methods to establish deadlines for actions that must be taken by a municipality to which ~~subsidy~~ financial assistance has been allocated. The methods may provide for extending deadlines under specified circumstances. If a municipality fails to meet a deadline, including any extension, the department of administration shall ~~release~~ rescind the ~~amount~~ allocation of ~~subsidy allocated to~~ financial assistance for the municipality's project.

SECTION 16. 281.58 (9m) (g) of the statutes is repealed.

SECTION 17. 281.58 (12) (a) 1. of the statutes is amended to read:

281.58 (12) (a) 1. Except as modified under par. (f) and except as restricted by sub. (8) (b), (c), (f) or (h), the interest rate for projects specified in sub. (7) (b) 1. and 2. is ~~60 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for a biennium before the 2011-13 biennium and 75 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for the 2011-13 biennium or later.~~

SECTION 18. 281.58 (12) (a) 2. of the statutes is amended to read:

281.58 (12) (a) 2. Except as modified under par. (f) and except as restricted by sub. (8) (b), (c), (f) or (h), the interest rate for projects specified in sub. (7) (b) 5. is ~~65 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for a biennium before the 2011-13 biennium and 75 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for the 2011-13 biennium or later.~~

SECTION 19. 281.58 (12) (a) 3. of the statutes is amended to read:

281.58 (12) (a) 3. Except as modified under par. (f) and except as restricted by sub. (8) (b), (c), (f) or (h), the interest rate for projects specified in sub. (7) (b) 4. is ~~70 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for a biennium before the 2011-13 biennium and 75 percent of market interest rate for projects for which the subsidy is allocated from the amount under s. 281.59 (3e) (b) for the 2011-13 biennium or later.~~

SECTION 20. 281.58 (13m) (b) of the statutes is amended to read:

281.58 (13m) (b) Grants provided under this subsection are not included for the purposes of determining under sub. (8) (i) the amount that a municipality may receive for projects under the clean water fund program. ~~Grants awarded under this subsection are not considered for the purposes of sub. (9m) (e) or s. 281.59 (3e) (b).~~

SECTION 21. 281.58 (15) (a) of the statutes is amended to read:

281.58 (15) (a) The department and the department of administration may, at the request of a municipality, issue a notice of financial assistance commitment to the municipality after the department approves the municipality's application under sub. (9m) (a) and the department of administration has allocated subsidy financial assistance for the municipality's project.

SECTION 22. 281.59 (1) (b) of the statutes is amended to read:

281.59 (1) (b) "Market interest rate" means the effective interest rate on a fixed-rate revenue obligation issued by the state to fund a loan made under this section or, ~~for a variable rate~~ if the department of administration determines that there has been a significant change in interest rates after the fixed-rate revenue obligation has been issued or if a fixed-rate revenue obligation has not been issued by the state to fund a loan made under this section, the effective interest rate that the department of administration determines would have been paid if ~~the variable rate~~ a fixed-rate revenue obligation had been sold at a fixed rate issued on the date financial assistance is allotted.

SECTION 23. 281.59 (1) (d) of the statutes is repealed.

SECTION 24. 281.59 (3) (a) 2. of the statutes is amended to read:

281.59 (3) (a) 2. The total amount of that the department of administration projects will be available to provide financial assistance ~~planned to be provided or committed~~ for projects under subd. 1. during the next biennium.

SECTION 25. 281.59 (3) (a) 6. of the statutes is repealed.

SECTION 26. 281.59 (3) (a) 6e. of the statutes is repealed.

SECTION 27. 281.59 (3) (a) 6m. of the statutes is repealed.

SECTION 28. 281.59 (3) (a) 7. of the statutes is repealed.

SECTION 29. 281.59 (3) (j) of the statutes is amended to read:

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

SECTION 30. 281.59 (3e) (a) of the statutes is repealed.

SECTION 31. 281.59 (3e) (b) of the statutes is repealed.

SECTION 32. 281.59 (3e) (c) of the statutes is repealed.

SECTION 33. 281.59 (3e) (d) of the statutes is amended to read:

281.59 (3e) (d) The department may expend, for financial assistance in a biennium other than financial hardship assistance under s. 281.58 (13) (e), an amount up to 95 percent of the amount ~~approved by the legislature under par. (b) available to provide financial assistance for projects under this section for that biennium.~~ The department may expend such amount only from the percentage of the amount approved under par. (b) that is not available under par. (e) for financial hardship assistance.

SECTION 34. 281.59 (3e) (e) of the statutes is amended to read:

281.59 (3e) (e) The department may expend, for financial hardship assistance in a biennium under s. 281.58 (13) (e), an amount up to 5 percent of the amount ~~approved by the legislature under par. (b) available to provide financial assistance for projects under this section~~ for that biennium. The department may expend such

amount only from the percentage of the amount approved by the legislature under ~~par. (b)~~ that is not available under par. (d) for financial assistance.

SECTION 35. 281.59 (3e) (f) of the statutes is repealed.

SECTION 36. 281.59 (3m) of the statutes is repealed.

SECTION 37. 281.59 (3s) of the statutes is repealed.

SECTION 38. 281.59 (9) (am) of the statutes is amended to read:

281.59 (9) (am) The department of administration, in consultation with the department, may establish those terms and conditions of a financial assistance agreement that relate to its financial management, including what type of municipal obligation, as set forth under sub. (13f), if applicable, is required for the repayment of the financial assistance. Any terms and conditions established under this paragraph by the department of administration shall comply with the requirements of this section and s. 281.58, 281.60 or 281.61. In setting the terms and conditions, the department of administration may consider factors that the department of administration finds are relevant, including the type of obligation evidencing the loan, the pledge of security for the obligation and the applicant's creditworthiness.

SECTION 39. 281.59 (11) (a) of the statutes is amended to read:

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

SECTION 40. 281.60 (7) (d) of the statutes is repealed.

SECTION 41. 281.60 (8) (a) of the statutes is renumbered 281.60 (8).

SECTION 42. 281.60 (8) (b) of the statutes is repealed.

SECTION 43. 281.60 (8s) of the statutes is amended to read:

281.60 (8s) LIMITATION ON FINANCIAL ASSISTANCE. The amount of a payment under sub. (2r) (d) may not exceed the amount of ~~subsidy~~ necessary to reduce the interest rate on the loan from market rate to the interest rate that would have been charged on a loan to the political subdivision under sub. (2r) (a).

SECTION 44. 281.60 (12) (b) 3. of the statutes is amended to read:

281.60 (12) (b) 3. If the sale proceeds are greater than the cost of the land plus the cost of the cleanup, pay to the department of administration an amount equal to the remaining loan balance plus the lesser of 75% of the amount by which the sale proceeds exceed the cost of the land plus the cost of the cleanup or the ~~amount of subsidy incurred for the project~~ difference between the amount of interest paid on the loan and the amount of interest that would have been paid if the loan had been made at the market rate, and retain the remainder of the sale proceeds.

SECTION 45. 281.61 (1) (a) of the statutes is renumbered 281.61 (1) (am).

SECTION 46. 281.61 (1) (ag) of the statutes is created to read:

281.61 (1) (ag) "Community water system" means a public water system that serves at least 15 service connections used by year-round residents or that regularly serves at least 25 year-round residents.

SECTION 47. 281.61 (1) (bm) of the statutes is created to read:

281.61 (1) (bm) "Noncommunity water system" means a public water system that is not a community water system.

SECTION 48. 281.61 (2) of the statutes is amended to read:

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

units and to the private owners of community water systems and nonprofit noncommunity water systems for projects for the planning, designing, construction or modification of public water systems, if the projects will facilitate compliance with national primary drinking water regulations under [42 USC 300g-1](#) or otherwise significantly further the health protection objectives of the Safe Drinking Water Act, [42 USC 300f](#) to [300j-26](#).

SECTION 49. 281.61 (2g) of the statutes is amended to read:

281.61 **(2g)** INELIGIBLE PROJECTS. A local governmental unit or the private owner of a community water system or nonprofit noncommunity water system is not eligible for financial assistance under this section if the local governmental unit or the private owner of the community water system or nonprofit noncommunity water system does not have the technical, managerial or financial capacity to ensure compliance with the Safe Drinking Water Act, [42 USC 300f](#) to [300j-26](#), or the public water system operated by the local governmental unit or private owner of the community water system or nonprofit noncommunity water system is in significant noncompliance with any requirement of a primary drinking water regulation or variance under [42 USC 300g-1](#) unless the financial assistance will ensure compliance with the Safe Drinking Water Act.

SECTION 50. 281.61 (2r) (b) of the statutes is amended to read:

281.61 **(2r)** (b) Purchasing or refinancing the obligation of a local governmental unit or private owner of a community water system or nonprofit noncommunity water system if the obligation was incurred to finance the cost of a project described in sub. (2) and the obligation was initially incurred after July 1, 1993.

SECTION 51. 281.61 (3) of the statutes is amended to read:

281.61 (3) NOTICE OF INTENT TO APPLY. (a) A local governmental unit or private owner of a community water system or nonprofit noncommunity water system shall submit notice of its intent to apply for financial assistance under the safe drinking water loan program at least 6 months before the beginning of the fiscal year in which it intends to receive the financial assistance. The notice shall be in a form prescribed by the department and the department of administration.

(c) The department may waive par. (a) upon the written request of a local governmental unit or private owner of a community water system or nonprofit noncommunity water system.

SECTION 52. 281.61 (4) of the statutes is amended to read:

281.61 (4) ENGINEERING REPORT. A local governmental unit or private owner of a community water system or nonprofit noncommunity water system seeking financial assistance for a project under this section shall submit an engineering report, as required by the department by rule.

SECTION 53. 281.61 (5) of the statutes is renumbered 281.61 (5) (a) and amended to read:

281.61 (5) (a) After the department approves ~~a local governmental unit's~~ an engineering report submitted under sub. (4), the local governmental unit or private owner of a community water system or nonprofit noncommunity water system shall submit an application for safe drinking water financial assistance to the department. The applicant shall submit the application on or before the June 30 preceding the beginning of the fiscal year in which the applicant wishes to receive the financial assistance, except that if funds are available in a fiscal year after funding has been allocated under sub. (8) for all approved applications submitted before the June 30 preceding that fiscal year, the department of administration may allocate funding for

approved applications submitted after June 30. The application shall be in the form and include the information required by the department and the department of administration and shall include plans and specifications that are approvable by the department under this section. An applicant may not submit more than one application per project per year.

SECTION 54. 281.61 (5) (b) of the statutes is created to read:

281.61 (5) (b) The department of administration and the department jointly may charge and collect service fees, established by rule, which shall cover the estimated costs of reviewing and acting upon the application and servicing the financial assistance agreement. No service fee established by rule under this paragraph may be charged to or collected from an applicant for financial assistance under s. 281.59 (13). The fees collected under this paragraph shall be credited to the environmental improvement fund.

SECTION 55. 281.61 (6) of the statutes is amended to read:

281.61 (6) PRIORITY LIST. The department shall establish a priority list that ranks each safe drinking water loan program project. The department shall promulgate rules for determining project rankings that, to the extent possible, give priority to projects that address the most serious risks to human health, that are necessary to ensure compliance with the Safe Drinking Water Act, [42 USC 300f to 300j-26](#), and that assist ~~local governmental units~~ applicants that are most in need on a per household basis, according to affordability criteria specified in the rules. For the purpose of ranking projects under this subsection, the department shall treat a project to upgrade a public water system to provide continuous disinfection of the water that it distributes as if the public water system were a surface water system that federal law requires to provide continuous disinfection.

SECTION 56. 281.61 (7) (c) of the statutes is amended to read:

281.61 (7) (c) The department of administration determines that the ~~local governmental unit~~ applicant will meet the requirements of s. 281.59 (9) (b).

SECTION 57. 281.61 (7) (d) of the statutes is repealed.

SECTION 58. 281.61 (8) (a) (intro.) of the statutes is renumbered 281.61 (8) (intro.) and amended to read:

281.61 (8) (intro.) The department shall establish a funding list for each fiscal year that ranks projects of ~~local governmental units~~ applicants that submit approvable applications under sub. (5) in the same order that they appear on the priority list under sub. (6). If sufficient funds are not available to fund all approved applications for financial assistance, the department of administration shall allocate funding to projects that are approved under sub. (7) in the order that they appear on the funding list, except as follows:

SECTION 59. 281.61 (8) (a) 1. of the statutes is renumbered 281.61 (8) (a).

SECTION 60. 281.61 (8) (a) 2. of the statutes is renumbered 281.61 (8) (bL) and amended to read:

281.61 (8) (bL) In any biennium, no ~~local governmental unit~~ applicant may receive more than 25% of the funds ~~that the department of administration projects will be available~~ amount of financial assistance planned to be provided or committed for projects under this section for that biennium.

SECTION 61. 281.61 (8) (b) of the statutes is repealed.

SECTION 62. 281.61 (8m) (intro.) of the statutes is amended to read:

281.61 (8m) CONDITIONS OF FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENTAL UNITS. As a condition of receiving financial assistance under the safe drinking water loan program, a local governmental unit shall do all of the following:

SECTION 63. 281.61 (8p) of the statutes is created to read:

281.61 **(8p)** CONDITIONS OF FINANCIAL ASSISTANCE FOR PRIVATE OWNERS. As a condition of receiving financial assistance under the safe drinking water loan program, a private owner of a community water system or nonprofit noncommunity water system shall do all of the following:

(a) Demonstrate that there is adequate security for the repayment of the financial assistance.

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

SECTION 64. 281.61 (8s) of the statutes is amended to read:

281.61 **(8s)** LIMITATION ON FINANCIAL ASSISTANCE. The amount of a payment under sub. (2r) (d) may not exceed the amount of ~~subsidy~~ necessary to reduce the interest rate on the loan from market rate to the interest rate that would have been charged on a loan to the local governmental unit under sub. (2r) (a).

SECTION 65. 281.61 (11) (a) 1. of the statutes is amended to read:

281.61 **(11)** (a) 1. For ~~a local governmental unit~~ an applicant that does not meet financial eligibility criteria established by the department by rule, 55% of market interest rate.

SECTION 66. 281.61 (11) (a) 2. of the statutes is amended to read:

281.61 **(11)** (a) 2. For ~~a local governmental unit~~ an applicant that meets financial eligibility criteria established by the department by rule, 33% of market interest rate.

SECTION 67. 281.61 (12) (g) of the statutes is amended to read:

281.61 (12) (g) Have the lead state role with local governmental units and private owners of community water systems or nonprofit noncommunity water systems in providing safe drinking water loan program information, and cooperate with the department of administration in providing that information ~~to local governmental units.~~

SECTION 68. 281.625 (1) (b) of the statutes is amended to read:

281.625 (1) (b) “Local governmental unit” has the meaning given in s. 281.61 (1) (a) (am), except that the term does not include a joint local water authority created under s. 66.0823.

(END)