



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0672/P4
MCP:kjf

DOA:.....Frederick, BB0080 - Clean water fund hardship program

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

ENVIRONMENT

WATER QUALITY

The Clean Water Fund Program under the environmental improvement fund provides financial assistance for projects to control water pollution. This bill lowers the interest rate for certain loans provided under the Clean Water Fund Program for the 2017-19 biennium or later, from 70 percent of the market interest rate to 55 percent of the market interest rate. This bill also eliminates the financial hardship assistance program under the Clean Water Fund Program and modifies the requirements for municipalities to receive low-interest loans under the Clean Water Fund Program. Under current law, a municipality may obtain financial hardship assistance for certain water quality projects if 1) the median household income in the municipality is 80 percent or less of the median household income in this state; and 2) the estimated annual wastewater treatment charges per residential user in the municipality exceeds 2 percent of the median household income in the municipality. Financial hardship assistance is provided as a grant or a loan at a lower interest rate than other loans provided under the Clean Water Fund Program.

Under the bill, if a municipality has a population of less than 1,000 and the median household income in the municipality is 65 percent or less of the median household income in this state, the municipality is eligible for an interest-free loan under the Clean Water Fund Program. If a municipality has a population of less than

10,000 and the median household income in the municipality is 80 percent or less of the median household income in this state, the municipality is eligible for a clean water fund loan at 33 percent of the market interest rate.

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. 281.58 (6) (b) 5. of the statutes is repealed.

SECTION 2. 281.58 (6) (b) 6. of the statutes is repealed.

SECTION 3. 281.58 (8) (h) of the statutes is amended to read:

281.58 (8) (h) Except as provided in par. (k), a municipality that is a violator of an effluent limitation at the time that the application for a treatment work project is approved under sub. (9m) may not receive financial assistance of a method specified under sub. (6) (b) 1., 3., or 4. ~~or 5.~~ for that part of the treatment work project that is needed to correct the violation. This paragraph does not apply to a municipality that after May 17, 1988, is in compliance with a court or department order to correct a violation of the enforceable requirements of its ch. 283 permit, and that is applying for financial assistance under s. 281.59 (13) to correct that violation.

SECTION 4. 281.58 (9) (a) of the statutes is amended to read:

281.58 (9) (a) After the department approves a municipality's facility plan submitted under sub. (8s), the municipality shall submit an application for participation to the department. The application shall be in such form and include such information as the department and the department of administration prescribe and shall include design plans and specifications. The department shall review applications for participation in the clean water fund program. The department

shall determine which applications meet the eligibility requirements and criteria under subs. (6), (7), (8), and (8m) and (13).

SECTION 5. 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 financial assistance under this section is available for the municipality's project when the department approves the application under par. (a), the department of administration shall allocate that amount to the project.

SECTION 6. 281.58 (11) of the statutes is repealed.

SECTION 7. 281.58 (12) (a) 1. of the statutes is renumbered 281.58 (12) (a) 1. (intro.) and amended to read:

281.58 **(12)** (a) 1. (intro.) 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. to 5. is one of the following:

c. For a municipality that does not meet the requirements specified in subd. 1. a. or b., 75 percent of market interest rate for projects for which the subsidy was allocated from the amount under s. 281.59 (3e) (b), 2013 stats., for a biennium before the 2015-17 biennium and 70 percent of market interest rate for projects for which the financial assistance is allocated under this section for the 2015-17 biennium or later, and 55 percent of market interest rate for projects for which the financial assistance is allocated under this section for the 2017-19 biennium or later.

SECTION 8. 281.58 (12) (a) 1. a. of the statutes is created to read:

281.58 **(12)** (a) 1. a. For a municipality that has a population of less than 1,000, and in which the median household income is 65 percent or less of the median household income in this state, zero percent of market interest rate.

SECTION 9. 281.58 (12) (a) 1. b. of the statutes is created to read:

281.58 (12) (a) 1. b. For a municipality that has a population of less than 10,000, and in which the median household income is 80 percent or less of the median household income in this state, 33 percent of market interest rate.

SECTION 10. 281.58 (13) of the statutes is repealed.

SECTION 11. 281.59 (3e) of the statutes is repealed.

(END)