

ACT 55 EXCERPT
ELIGIBILITY FOR SAFE DRINKING WATER FUNDING

SECTION 4161. 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 4163. 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 that serve local governmental units 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 4164. 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 that serves a local governmental unit is not eligible for financial assistance under this section if the local governmental unit or the private owner of the community water system that serves a local governmental unit 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 that serves a local governmental unit 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 4165. 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 that serves a local governmental unit 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 4165M. 281.61 (2r) (e) of the statutes is amended to read:

281.61 (2r) (e) Using funds received as federal capitalization grants under [42 USC 300j-12](#), any other method that is consistent with the federal program for safe drinking water state loan funds under [42 USC 300j-12](#) or any other federal law providing funding for or otherwise relating to that program, except that funds received as federal capitalization grants may not be used to provide principal forgiveness to a private owner of a community water system.

SECTION 4166. 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 that serves a local governmental unit 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 that serves a local governmental unit.

SECTION 4167. 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 that serves a local governmental unit seeking financial assistance for a project under this section shall submit an engineering report, as required by the department by rule.

SECTION 4168. 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 that serves a local governmental unit 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 4169. 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 4170. 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 4171. 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 4172. 281.61 (7) (d) of the statutes is repealed.

SECTION 4173. 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 4174. 281.61 (8) (a) 1. of the statutes is renumbered 281.61 (8) (a).

SECTION 4175. 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 4176. 281.61 (8) (b) of the statutes is repealed.

SECTION 4177. 281.61 (8m) (intro.) of the statutes is amended to read:

281.61 (8m) CONDITIONS OF FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENTAL UNITS. (intro.) 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 4178. 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 that serves a local governmental unit 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 4179. 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 4180. 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 4181. 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 4182. 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 that serve a local governmental unit in providing safe drinking water loan program information, and cooperate with the department of administration in providing that information to ~~local governmental units~~.