



KIM REYNOLDS
GOVERNOR

OFFICE OF THE GOVERNOR

ADAM GREGG
LT GOVERNOR

May 16, 2018

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 2440, an Act relating to certain water quality programs and other provisions properly related to water quality, making appropriations, and including effective date provisions.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Kim Reynolds".

Kim Reynolds
Governor

cc: Secretary of the Senate
Clerk of the House



House File 2440

AN ACT

RELATING TO CERTAIN WATER QUALITY PROGRAMS AND OTHER PROVISIONS
PROPERLY RELATED TO WATER QUALITY, MAKING APPROPRIATIONS,
AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 16.1, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 18A. *"Iowa nutrient reduction strategy"* means the same as defined in section 455B.171, as amended by 2018 Iowa Acts, Senate File 512, section 18.

Sec. 2. Section 16.134, subsection 4, paragraph f, as enacted by 2018 Iowa Acts, Senate File 512, section 4, is amended to read as follows:

f. Priority shall also be given to communities that employ technology to address the ~~latest version~~ goals of the ~~"Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology~~ Iowa nutrient reduction strategy.

Sec. 3. Section 16.134, subsection 4, Code 2017, as amended by 2018 Iowa Acts, Senate File 512, section 4, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0g.* Priority shall also be given to communities whose drinking water facilities and systems use as a supply, or to projects whose completion will improve, surface

waters on the state's impaired waters list as described in section 455B.194 and 455B.195.

Sec. 4. Section 16.142, subsection 2, as enacted by 2018 Iowa Acts, Senate File 512, section 6, is amended to read as follows:

2. "*Eligible entity*" means a municipality or a landowner, as determined by the authority, a public utility as defined in section 476.1, a specified industry, or a rural water district or rural water association as defined in section 357A.1.

Sec. 5. Section 16.142, as enacted by 2018 Iowa Acts, Senate File 512, section 6, is amended by adding the following new subsection:

NEW SUBSECTION. 7. "*Specified industry*" means any of the following:

a. An entity engaged in an industry identified in the Iowa nutrient reduction strategy, as determined by the authority, which industry is or will be required pursuant to the Iowa nutrient reduction strategy to collect data on the source, concentration, and mass of total nitrogen or total phosphorus in its effluent, and to evaluate alternatives for reducing the amount of nutrients in its discharge.

b. An entity implementing technology or operational improvements to reduce nutrients in its discharge.

Sec. 6. Section 16.144, subsection 4, as enacted by 2018 Iowa Acts, Senate File 512, section 8, is amended to read as follows:

4. By October 1, ~~2018~~ 2019, and by October 1 of each year thereafter, the authority shall submit a report to the governor and the general assembly itemizing expenditures from the fund, if any, during the previous fiscal year.

Sec. 7. Section 16.145, subsection 1, paragraph a, as enacted by 2018 Iowa Acts, Senate File 512, section 9, is amended to read as follows:

a. The plan includes one or more projects that improve water quality in the local area or watershed. Projects shall use practices identified in the ~~latest version of the document entitled "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture~~

~~and land stewardship, the department of natural resources, and Iowa state university of science and technology Iowa nutrient reduction strategy. A drainage or levee district established under chapter 468 shall utilize the installation of edge of field infrastructure as described in section 466B.43.~~

Sec. 8. Section 16.145, subsection 2, as enacted by 2018 Iowa Acts, Senate File 512, section 9, is amended to read as follows:

2. The authority shall review and approve or deny applications for financial assistance. The provision of financial assistance under the program shall take into account, as applicable, the number of municipalities, landowners, public utilities, specified industries, rural water districts, or rural water associations comprising an eligible entity and the eligible entity's financing capacity. The authority shall score applications for financial assistance according to rules adopted pursuant to this part. The authority shall only provide financial assistance to eligible entities that have sufficient financing capacity and that submit an appropriate plan designed to improve water quality.

Sec. 9. Section 466B.2, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. "*Iowa nutrient reduction strategy*" means the same as defined in section 455B.171, as amended by 2018 Iowa Acts, Senate File 512, section 18.

Sec. 10. Section 466B.2, subsection 3, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. A rural improvement zone established pursuant to chapter 357H.

Sec. 11. Section 466B.3, subsection 3, paragraph c, Code 2017, as amended by 2018 Iowa Acts, Senate File 512, section 21, is amended to read as follows:

c. Whether the funds, programs, and regulatory efforts coordinated by the council eventually result in a long-term improvement to the quality of surface water in Iowa. To evaluate the progress achieved over time toward the goals of the Iowa nutrient reduction strategy, ~~as defined in section 455B.171,~~ and the United States environmental protection agency gulf hypoxia action plan, the baseline condition shall be

calculated for the time period from 1980 to 1996.

Sec. 12. Section 466B.42, Code 2017, as amended by 2018 Iowa Acts, Senate File 512, section 22, is amended to read as follows:

466B.42 Water quality initiative.

The division shall establish a water quality initiative in order to assess and reduce nutrients in this state's watersheds, including subwatersheds and regional watersheds, and for implementing its responsibilities under the Iowa nutrient reduction strategy ~~as defined in section 455B.171~~. The division shall establish and administer projects to reduce nutrients in surface waters from nonpoint sources in a scientific, reasonable, and cost-effective manner. The division shall utilize a pragmatic, strategic, and coordinated approach with the goal of accomplishing reductions over time. To evaluate the progress achieved over time toward the goals of the Iowa nutrient reduction strategy and the United States environmental protection agency gulf hypoxia action plan, the baseline condition shall be calculated for the time period from 1980 to 1996.

Sec. 13. Section 466B.43, subsection 2, as enacted by 2018 Iowa Acts, Senate File 512, section 23, is amended to read as follows:

2. The purpose of the programs is to support projects for the installation of infrastructure, including conservation structures, practices, or other measures that reduce contributing nutrient loads, associated sediment, or contaminants from sources to surface waters including but not limited to surface waters on the impaired waters list of the state that are used as a drinking water supply. The programs shall be administered in a manner that is consistent with ~~the latest version of the "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology~~ Iowa nutrient reduction strategy.

Sec. 14. Section 466B.43, subsection 6, as enacted by 2018 Iowa Acts, Senate File 512, section 23, is amended to read as follows:

6. By October 1, ~~2018~~ 2019, and each October 1, thereafter, the division shall submit a report to the governor and the general assembly itemizing expenditures, by hydrologic unit code 8 watershed, under the programs during the previous fiscal year, if any.

Sec. 15. Section 466B.44, subsections 2 and 7, as enacted by 2018 Iowa Acts, Senate File 512, section 24, are amended to read as follows:

2. The purpose of the program is to support watershed projects and advance implementation of the ~~latest version of the "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa state university of science and technology~~ Iowa nutrient reduction strategy, which program support may include demonstration projects that decrease erosion, precipitation-induced surface runoff, and storm water discharges and that increase water infiltration rates. The program's projects shall be based on Iowa's storm water management manual published by the department of natural resources.

7. By October 1, ~~2018~~ 2019, and by October 1 of each year thereafter, the division shall submit a report to the governor and the general assembly itemizing expenditures under the program, if any, during the previous fiscal year.

Sec. 16. 2018 Iowa Acts, Senate File 512, section 25, subsections 1 and 3, are amended to read as follows:

1. The legislative council is requested to establish a study committee for the ~~2017~~ 2018 interim to identify and comprehensively review the financial and other challenges faced by small cities in complying with the various state and federal clean water standards, and to consider options for addressing those challenges.

3. The interim committee shall submit its findings and recommendations to the general assembly for consideration during the ~~2018~~ 2019 legislative session.

Sec. 17. 2015 Iowa Acts, chapter 132, section 18, subsection 1, is amended by adding the following new paragraph:

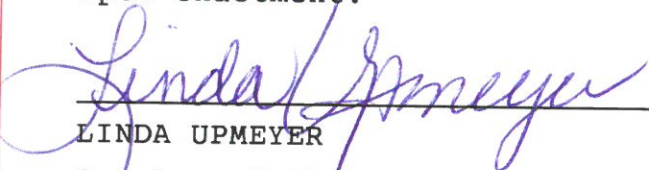
NEW PARAGRAPH. 0b. The soil conservation and water quality


division of the department of agriculture and land stewardship, in cooperation with Iowa state university of science and technology, shall use moneys appropriated in paragraph "a" to administer education and outreach programs that provide information regarding in-field agricultural practices, and their value, in order to further enhance the rate that such practices are adopted.

Sec. 18. 2015 Iowa Acts, chapter 132, section 18, subsection 1, paragraph b, is amended to read as follows:


b. Notwithstanding section 8.33, moneys appropriated in paragraph "a" that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, ~~2017~~ 2019.

Sec. 19. EFFECTIVE UPON ENACTMENT. The sections of this Act amending 2015 Iowa Acts, chapter 132, section 18, take effect upon enactment.



LINDA UPMEYER
Speaker of the House


CHARLES SCHNEIDER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2440, Eighty-seventh General Assembly.


CARMINE BOAL
Chief Clerk of the House

Approved May 16th, 2018


KIM REYNOLDS
Governor