

*Reprinted Local Gov. 2/1/95 Do Pass*

JAN 12 1995  
LOCAL GOVERNMENT

HOUSE FILE 36  
BY VANDE HOEF and GRIES

Passed House, Date <sup>(p. 821)</sup> 3/20/95 Passed Senate, Date \_\_\_\_\_  
Vote: Ayes 93 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to public water supply system fees.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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**HF 36**

1 Section 1. Section 455B.183A, subsection 2, Code 1995, is  
2 amended to read as follows:

3 2. The commission shall adopt fees ~~as required~~ pursuant to  
4 section 455B.105 for public water supply system permits as  
5 ~~required for public water supply systems as provided~~ in  
6 sections 455B.174 and 455B.183. The fees shall be used solely  
7 for the purpose of providing technical assistance. The  
8 commission shall adopt annual fees, the revenue from which  
9 shall not exceed the annual state appropriations made to the  
10 department for administration of water supply programs. Fees  
11 paid pursuant to this section shall not be subject to the  
12 sales or services tax. The fees shall be ~~for~~ based on each of  
13 the following:

14 a. The construction, installation, or modification of a  
15 public water supply system. The amount of the fees may be  
16 based on the type of system being constructed, installed, or  
17 modified.

18 b. The operation of a public water supply system,  
19 including any part of the system. The fees may be based on  
20 the type and size of community served by the system. ~~The~~  
21 ~~commission shall adopt a fee schedule. The commission shall~~  
22 ~~calculate all fees in the schedule to produce total revenues~~  
23 ~~equating four hundred seventy five thousand dollars for the~~  
24 ~~fiscal year beginning July 1, 1994, and ending June 30, 1995,~~  
25 ~~seven hundred thousand dollars for the fiscal year beginning~~  
26 ~~July 1, 1995, and ending June 30, 1996, nine hundred thousand~~  
27 ~~dollars for the fiscal year beginning July 1, 1996, and ending~~  
28 ~~June 30, 1997, and one million two hundred thousand dollars~~  
29 ~~for each subsequent fiscal year. For the fiscal year~~  
30 ~~beginning July 1, 1994, and ending June 30, 1995, twenty five~~  
31 ~~thousand dollars shall be deposited in the administration~~  
32 ~~account and four hundred fifty thousand dollars shall be~~  
33 ~~deposited in the public water supply system account. For each~~  
34 ~~subsequent fiscal year, one half of the fees shall be~~  
35 ~~deposited into the administration account and one half of the~~

1 fees shall be deposited into the public water supply system  
2 account.---By May 1 of each year, the department shall estimate  
3 the total revenue expected to be collected from the  
4 overpayment of fees, which are all fees in excess of the  
5 amount of the total revenues which are expected to be  
6 collected under the current fee schedule, and the total  
7 revenue expected to be collected from the payment of fees  
8 during the next fiscal year.---The commission shall adjust the  
9 fees if the estimate exceeds the amount of revenue required to  
10 be deposited in the fund pursuant to this paragraph.

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## EXPLANATION

12 This bill requires that public water supply system fees for  
13 permits be used solely for providing technical assistance and  
14 requires the environmental protection commission to adopt  
15 annual fees the revenue from which may not exceed annual state  
16 appropriations made to the department of natural resources for  
17 administration of water supply programs. The bill strikes  
18 language which established a specific amount of fees to be  
19 generated each year.

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**HOUSE FILE 36  
FISCAL NOTE**

A fiscal note for House File 36 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 36 strikes language specifying the fee amount to be generated per year for the Drinking Water Supply Program. In addition, the bill requires the Environmental Protection Commission to set fees not to exceed the annual state appropriation to the Department of Natural Resources for the administration of water supply programs. The fees are required to be used solely for providing technical assistance.

Assumption:

The estimated FY 1995 General Fund appropriation for the Program was \$404,000. The FY 1996 and FY 1997 General Fund appropriation was assumed to remain at this level.

FISCAL IMPACT:

The following table illustrates the effect on the administration of the Program:

(dollars in thousands)

	Fiscal Year 1996			Fiscal Year 1997		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
General Fund \$	404	\$ 404	\$ 0	\$ 404	\$ 404	\$ 0
Federal Funds	854	854	0	854	854	0
Fees	350	0	(350)	450	0	(450)
Other	0	0	0	0	0	0
Total	\$ 1,608	\$ 1,258	\$ (350)	\$ 1,708	\$ 1,258	\$ (450)

EXPENDITURES

Salaries (FTE's)	\$ 1,088	\$ 871	\$ (217)	\$ 1,089	\$ 871	\$ (218)
	( 25.0)	( 20.0)	( -5.0)	( 25.0)	( 20.0)	( -5.0)
Other	520	387	(133)	619	387	(232)
Total	\$ 1,608	\$ 1,258	\$ (350)	\$ 1,708	\$ 1,258	\$ (450)

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The following table illustrates the effect on the technical assistance portion of the Program:

	(dollars in thousands)					
	Fiscal Year 1996			Fiscal Year 1997		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
<b>REVENUE</b>						
Prior Balance\$	193	\$ 193	\$ 0	\$ 0	\$ 0	\$ 0
General Fund \$	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Fees	350	404	54	450	404	(46)
Other	0	0	0	0	0	0
Total	\$ 543	\$ 597	\$ 54	\$ 450	\$ 404	\$ (46)
<b>EXPENDITURES</b>						
Salaries	\$ 375	\$ 375	\$ 0	\$ 375	\$ 338	\$ (37)
(FTE's)	( 10.3)	( 10.3)	( 0.0)	( 10.3)	( 9.3)	( -1.0)
Other	168	222	54	75	66	( 9)
Total	\$ 543	\$ 597	\$ 54	\$ 450	\$ 404	\$ (46)

The bill would result in a decrease of \$296,000 in FY 1996 and 5.00 FTE positions in FY 1996 and \$496,000 and 5.00 FTE positions in FY 1997 to the Water Quality Protection Fund from current law.

SOURCE: Department of Natural Resources

(LSB 1217hh, DHK)

FILED FEBRUARY 14, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

## HOUSE FILE 36

H-3118

1 Amend House File 36 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "Section 1. Section 384.38, subsection 3, Code  
5 1995, is amended to read as follows:

6 3. A city may establish, by ordinance after notice  
7 and a public hearing consistent with the requirements  
8 of section 384.50, one or more districts and schedules  
9 of fees for the connection of property to the city  
10 sewer or water utility. Each person whose property  
11 will be served by connecting to the city sewer or  
12 water utility shall pay a connection fee to the city.  
13 The ordinance shall be certified by the city and  
14 recorded in the office of the county recorder of the  
15 county in which a district is located. The connection  
16 fees are due and payable when a utility connection  
17 application is filed with the city. A connection fee  
18 shall not exceed the equitable part of the total  
19 original cost to the city of extending the utility to  
20 the properties within the district, less any part of  
21 the cost which has been previously assessed or paid to  
22 the city under this division IV. All fees collected  
23 under this subsection shall be paid to the city  
24 treasurer. The moneys collected as fees shall only be  
25 used for the purposes of operating the utility, or to  
26 pay debt service on obligations issued to finance  
27 improvements or extensions to the utility. This  
28 subsection shall not be construed to require a city to  
29 establish a special assessment district when  
30 connection to the city sewer or water utility is  
31 requested by the person whose property may be served  
32 by the connection."

33 2. By renumbering as necessary.

By GRIES of Crawford  
VANDE HOEF of Osceola

H-3118 FILED FEBRUARY 21, 1995

(p. 821) 3/20/95 Adapted

S- 3/21/95 Nat. Rev.

HOUSE FILE 36  
BY VANDE HOEF and GRIES

(As Amended and Passed by the House March 20, 1995)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
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House Amendments \_\_\_\_\_

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22 This subsection shall not be construed to require a city to  
23 establish a special assessment district when connection to the  
24 city sewer or water utility is requested by the person whose  
25 property may be served by the connection.

26 Sec. 2. Section 455B.183A, subsection 2, Code 1995, is  
27 amended to read as follows:

28 2. The commission shall adopt fees as-required pursuant to  
29 section 455B.105 for public water supply system permits as  
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