

MAR 10 1999

APPROPRIATIONS

HOUSE FILE 618  
BY COMMITTEE ON ENVIRONMENTAL  
PROTECTION

(SUCCESSOR TO HF 226)

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

A BILL FOR

1 An Act establishing an on-site wastewater treatment and disposal  
2 system program and revolving fund.

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

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

HF 618

1 Section 1. NEW SECTION. 455B.193 ON-SITE WASTEWATER  
2 TREATMENT AND DISPOSAL SYSTEM PROGRAM.

3 1. The department shall establish and administer an on-  
4 site wastewater treatment and disposal system program to  
5 provide financial assistance for the repair or replacement of  
6 existing residential on-site wastewater treatment and disposal  
7 systems located in unincorporated areas of the state.

8 2. An on-site wastewater treatment and disposal system  
9 revolving fund is created in the office of the treasurer of  
10 state to be administered by the department. The revolving  
11 fund shall include moneys appropriated by the general assembly  
12 or otherwise deposited in the fund. Moneys in the revolving  
13 fund shall be used to provide low-interest loans to a county,  
14 rural water district as created under chapter 357A or 504A, or  
15 council of governments for the repair or replacement of  
16 existing residential on-site wastewater treatment and disposal  
17 systems located in unincorporated areas of the state. Up to  
18 three percent of the moneys in the revolving fund may be used  
19 by the department for administration of the on-site wastewater  
20 treatment and disposal system program.

21 3. The department shall accept applications for financial  
22 assistance under the on-site wastewater treatment and disposal  
23 system program from a county, rural water district as created  
24 under chapter 357A or 504A, or council of governments on a  
25 quarterly basis. In the application, the applicant shall  
26 identify the location of any on-site wastewater treatment and  
27 disposal system which would be repaired or replaced under the  
28 program. In order to qualify for financial assistance under  
29 the program, all of the following must be in existence in the  
30 county in which an on-site wastewater treatment and disposal  
31 system is located:

32 a. Adoption and active enforcement of administrative rules  
33 relating to on-site wastewater treatment and disposal systems.

34 b. A trained and qualified sanitarian or environmental  
35 health specialist as a county employee.

1 c. Provision of continuing education of the sanitarian or  
2 environmental health specialist.

3 d. An inspection and monitoring program on permitted on-  
4 site wastewater treatment and disposal systems conducted by  
5 the financial assistance recipient.

6 e. A long-term management and maintenance program for on-  
7 site wastewater treatment and disposal systems in the  
8 unincorporated area of the county.

9 f. A sewer plan for new subdivisions and developments in  
10 the unincorporated area of the county.

11 g. Requirements regarding proper site analysis and system  
12 design of all on-site wastewater treatment and disposal  
13 systems in the unincorporated area of the county.

14 h. Requirements that an on-site wastewater treatment and  
15 disposal system installer must be a qualified contractor as  
16 determined by the financial assistance recipient.

17 i. An on-site wastewater treatment and disposal system  
18 inspection program conducted at the time of sale or property  
19 transfer by an environmental health specialist or sanitarian.

20 3A. A council of governments or a rural water district may  
21 enter into an agreement with a county pursuant to chapter 28E  
22 in order to establish the entity responsible for any duties  
23 described in subsection 3.

24 4. Any moneys received by a county, rural water district  
25 as created under chapter 357A or 504A, or council of  
26 governments under the on-site wastewater treatment and  
27 disposal system program shall be used to provide financial  
28 assistance for the repair or replacement of existing  
29 residential on-site wastewater treatment and disposal systems  
30 located in unincorporated areas of the state. A county, rural  
31 water district, or council of governments may use up to five  
32 percent of any financial assistance received under the program  
33 for administration purposes.

34 5. Loans under the on-site wastewater treatment and  
35 disposal system program shall be repayable to the on-site

1 wastewater treatment and disposal system revolving fund in  
2 installments as determined by the department. The term of a  
3 loan shall not exceed ten years. The interest rate upon  
4 delinquent payments shall accelerate immediately to the  
5 current legal usury limit. Interest on the revolving fund  
6 shall be deposited in the revolving fund. Notwithstanding  
7 section 8.33, unobligated or unencumbered moneys credited to  
8 the revolving fund shall not revert at the close of a fiscal  
9 year.

10 6. The department shall adopt rules pursuant to chapter  
11 17A to administer the on-site wastewater treatment and  
12 disposal system program and administer the disbursement of  
13 moneys from the on-site wastewater treatment and disposal  
14 system revolving fund.

15 Sec. 2. Between January 1, 2000, and October 1, 2000, the  
16 department of natural resources shall adopt rules and  
17 implement an on-site wastewater treatment and disposal system  
18 program. The program shall be established as part of the  
19 sewage treatment works revolving loan fund established in  
20 section 455B.295 not to exceed two million eight hundred  
21 thousand dollars annually for a two-year period.

22

#### EXPLANATION

23 This bill creates an on-site wastewater treatment and  
24 disposal system program and revolving fund. The bill provides  
25 that the program shall be established by the department of  
26 natural resources to provide financial assistance for the  
27 repair or replacement of existing residential on-site  
28 wastewater treatment and disposal systems located in  
29 unincorporated areas of the state.

30 The bill provides that the on-site wastewater treatment and  
31 disposal system revolving fund shall be used to provide low-  
32 interest loans to a county, rural water district, or council  
33 of governments which would then be used to provide financial  
34 assistance to individuals for the repair or replacement of  
35 existing residential on-site wastewater treatment and disposal

1 systems located in unincorporated areas of the state. The  
2 bill provides that a county, rural water district, or council  
3 of governments receiving a loan under the program may use up  
4 to 5 percent of the loan amount for administration purposes.  
5 The bill provides that the department shall accept  
6 applications from a county, rural water district, or council  
7 of governments on a quarterly basis and the department may use  
8 up to 3 percent of the moneys in the fund for administration  
9 of the program.

10 The bill provides that application to the department is  
11 required to identify the location of any on-site wastewater  
12 treatment and disposal system which would be repaired or  
13 replaced under the program. The bill provides that in order  
14 to receive a loan from the department under the program, the  
15 county in which the on-site wastewater treatment and disposal  
16 system is located must meet certain criteria relating to the  
17 installation, inspection, monitoring, site analysis, system  
18 design, and maintenance of on-site wastewater treatment and  
19 disposal systems, employment of a sanitarian or environmental  
20 health specialist by the county, and sewer planning in new  
21 subdivisions and developments in unincorporated areas of a  
22 county.

23 The bill provides that the department shall adopt rules to  
24 administer the program and administer the disbursement of  
25 moneys from the revolving fund.

26 The bill provides that the on-site wastewater treatment and  
27 disposal program shall be established as part of the sewage  
28 treatment works revolving loan fund, not to exceed \$2.8  
29 million annually for a period of two years.

30  
31  
32  
33  
34  
35