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SENATE FILE
BY ANGELO

103

(COMPANION TO LSB 1704HH BY
DOLECHECK)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing an on-site sewage disposal system assistance
2 program and revolving fund and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 103
APPROPRIATIONS

1 Section 1. NEW SECTION. 455B.193 ON-SITE SEWAGE DISPOSAL
2 SYSTEM ASSISTANCE PROGRAM AND REVOLVING FUND.

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

8 2. An on-site sewage disposal system assistance revolving
9 fund is created in the office of the treasurer of state to be
10 administered by the department. The revolving fund shall
11 include moneys appropriated by the general assembly or
12 otherwise deposited in the fund. Moneys in the revolving fund
13 shall be used to provide low-interest loans to a county, rural
14 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 sewage disposal systems located
17 in unincorporated areas of the state. Up to two percent of
18 the moneys in the revolving fund may be used by the department
19 for administration of the on-site sewage disposal system
20 assistance program.

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

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

33 b. A trained and qualified sanitarian as a county
34 employee.

35 c. Provision of continuing education of the sanitarian.

1 d. An inspection and monitoring program on permitted on-
2 site sewage disposal systems.

3 e. A long-term management and maintenance program for on-
4 site sewage disposal systems in the unincorporated area of the
5 county.

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

8 g. Requirements regarding proper site analysis and system
9 design of all on-site sewage disposal systems in the
10 unincorporated area of the county.

11 h. Requirements that an on-site sewage disposal system
12 installer must be licensed.

13 i. An on-site sewage disposal system inspection program
14 conducted at the time of sale.

15 4. Any moneys received by a county, rural water district
16 as created under chapter 357A or 504A, or council of
17 governments under the on-site sewage disposal system
18 assistance program shall be used to provide financial
19 assistance for the repair or replacement of existing
20 residential on-site sewage disposal systems located in
21 unincorporated areas of the state. A county, rural water
22 district, or council of governments may use up to five percent
23 of any financial assistance received under the program for
24 administration purposes.

25 5. Loans under the on-site sewage disposal system
26 assistance program shall be repayable to the on-site sewage
27 disposal system assistance revolving fund in installments as
28 determined by the department. The interest rate upon
29 delinquent payments shall accelerate immediately to the
30 current legal usury limit. Interest on the revolving fund
31 shall be deposited in the revolving fund. Notwithstanding
32 section 8.33, unobligated or unencumbered moneys credited to
33 the revolving fund shall not revert at the close of a fiscal
34 year.

35 6. The department shall adopt rules pursuant to chapter

1 17A to administer the on-site sewage disposal system
2 assistance program and administer the disbursement of moneys
3 from the on-site sewage disposal system assistance revolving
4 fund.

5 Sec. 2. Section 8.57, subsection 5, paragraph c, Code
6 1999, is amended to read as follows:

7 c. Moneys in the fund in a fiscal year shall be used as
8 directed by the general assembly for public vertical
9 infrastructure projects. For the purposes of this subsection,
10 "vertical infrastructure" includes only land acquisition and
11 construction, major renovation and major repair of buildings,
12 all appurtenant structures, utilities, site development, and
13 recreational trails, and on-site sewage disposal systems.

14 "Vertical infrastructure" does not include routine, recurring
15 maintenance or operational expenses or leasing of a building,
16 appurtenant structure, or utility without a lease-purchase
17 agreement. However, appropriations may be made for the fiscal
18 years beginning July 1, 1997, and July 1, 1998, for the
19 purpose of funding the completion of Part III of the Iowa
20 communications network.

21 Sec. 3. There is appropriated from the rebuild Iowa
22 infrastructure fund of the state to the department of natural
23 resources for the fiscal year beginning July 1, 1999, and
24 ending June 30, 2000, the following amount, or so much thereof
25 as is necessary, to be used for the purpose designated:

26 For the on-site sewage disposal system assistance program
27 and revolving fund:
28 \$ 2,800,000

29 EXPLANATION

30 This bill creates an on-site sewage disposal system
31 assistance program and revolving fund. The bill provides that
32 the program shall be established by the department of natural
33 resources to provide financial assistance for the repair or
34 replacement of existing residential on-site sewage disposal
35 systems located in unincorporated areas of the state.

1 The bill provides that the on-site sewage disposal system
2 assistance revolving fund shall be used to provide low-
3 interest loans to a county, rural water district, or council
4 of governments which would then be used to provide financial
5 assistance to individuals for the repair or replacement of
6 existing residential on-site sewage disposal systems located
7 in unincorporated areas of the state. The bill provides that
8 a county, rural water district, or council of governments
9 receiving a loan under the program may use up to 5 percent of
10 the loan amount for administration purposes. The bill
11 provides that the department shall accept applications from a
12 county, rural water district, or council of governments on a
13 quarterly basis and the department may use up to 2 percent of
14 the moneys in the fund for administration of the program.

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

26 The bill provides that the department shall adopt rules to
27 administer the program and administer the disbursement of
28 moneys from the revolving fund.

29 The bill appropriates \$2.8 million from the rebuild Iowa
30 infrastructure fund to the department of natural resources for
31 purposes of the on-site sewage disposal system assistance
32 program and revolving fund. The bill amends the definition of
33 "vertical infrastructure" to include major renovation and
34 major repair of on-site sewage disposal systems.

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