

FEB 13 2001

ENVIRONMENTAL PROTECTION

HOUSE FILE 247

BY RICHARDSON and DOLECHECK

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

**A BILL FOR**

1 An Act relating to wastewater systems, establishing a fund, and  
 2 appropriating moneys from the fund.

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

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HC 247

1 Section 1. Section 466.7, subsection 4, Code 2001, is  
2 amended by striking the subsection.

3 Sec. 2. NEW SECTION. 466.8 ON-SITE WASTEWATER SYSTEMS  
4 ASSISTANCE PROGRAM.

5 The department of natural resources shall establish an on-  
6 site wastewater assistance program for the purpose of  
7 providing low-interest loans to homeowners residing outside  
8 the boundaries of a city for improving on-site wastewater  
9 disposal systems.

10 1. The environmental protection commission shall adopt  
11 rules for carrying out the program including but not limited  
12 to criteria for homeowner participation, the methods used to  
13 provide loans, and financing terms and limits.

14 2. The department may make and execute agreements with  
15 public or private entities, including lending institutions as  
16 defined in section 12.32, as required to administer the  
17 program.

18 3. Assistance provided to homeowners shall not be used to  
19 pay the nonfederal share of the cost of any wastewater system  
20 projects receiving grants under the federal Clean Water Act,  
21 33 U.S.C. § 1381-1387.

22 4. The department shall report to the general assembly  
23 annually on the progress of the on-site wastewater assistance  
24 program.

25 Sec. 3. NEW SECTION. 466.9 ON-SITE WASTEWATER SYSTEMS  
26 ASSISTANCE FUND.

27 1. An on-site wastewater systems assistance fund is  
28 established as a separate fund in the state treasury under the  
29 control of the department. Moneys in the fund are  
30 appropriated to the department for the exclusive purpose of  
31 supporting and administering the on-site wastewater systems  
32 assistance program as established in section 466.8.

33 2. The fund shall consist of all of the following:

34 a. Moneys appropriated to the department by the general  
35 assembly for deposit in the fund or to carry out the purposes

1 of the on-site wastewater systems assistance program.

2 b. Moneys provided to the department by the federal  
3 government to carry out the purpose of administering the  
4 programs, policies, and undertakings authorized in the federal  
5 Clean Water Act, 33 U.S.C. § 1381-1387.

6 c. Moneys collected by the department pursuant to loan  
7 agreements from homeowners receiving loans under the on-site  
8 wastewater systems assistance program.

9 d. Any other moneys obtained or accepted by the department  
10 for deposit in the fund.

11 3. a. The fund shall consist of the following accounts:

12 (1) The financing account which shall be used for the  
13 exclusive purpose of providing financing to homeowners  
14 residing outside the boundaries of a city with improving on-  
15 site wastewater systems under the on-site wastewater systems  
16 assistance program.

17 (2) The administration account which shall be used by the  
18 department to defray expenses associated with carrying out the  
19 on-site wastewater systems assistance program.

20 b. Of all moneys deposited into the fund each year, the  
21 department shall credit at least ninety-six percent of the  
22 moneys to the financing account and any remaining moneys to  
23 the administration account.

24 4. The moneys in the fund are not considered part of the  
25 general fund of the state, and in determining a general fund  
26 balance shall not be included in the general fund of the  
27 state. The moneys in the fund are not subject to section 8.33  
28 and shall not be transferred, used, obligated, appropriated,  
29 or otherwise encumbered except as provided in this section.  
30 Notwithstanding section 12C.7, subsection 2, interest or  
31 earnings on moneys deposited in the fund shall be credited to  
32 the fund.

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EXPLANATION

34 In 2000, the Seventy-eighth General Assembly enacted the  
35 "Initiative on Improving Our Watershed Attributes" (I on IOWA)

1 2000 Acts, chapter 1068. The Act created Code section 466.7,  
2 the water quality protection program, which in part  
3 establishes a program to assist homeowners residing outside  
4 the boundaries of a city with improving on-site wastewater  
5 systems. This bill strikes and rewrites the provision,  
6 provides financing options to assist homeowners, and  
7 authorizes the department to execute agreements with public or  
8 private entities required to administer the program.

9 The bill also establishes an on-site wastewater systems  
10 assistance fund to support the program. The fund consists of  
11 a financing account used to assist homeowners and an  
12 administration account used to defray departmental expenses in  
13 carrying out the program. The bill provides that moneys in  
14 the fund include general assembly appropriations, federal  
15 moneys available under the federal Clean Water Act, and moneys  
16 collected under loan agreements from homeowners. Of moneys  
17 deposited into the fund each year, the department must credit  
18 at least 96 percent of the moneys to the financing account and  
19 any remaining moneys to the administration account. Moneys in  
20 the fund do not revert and interest earned on the moneys  
21 remains in the fund.

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