

# Senate Study Bill 1130

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON NATURAL  
RESOURCES AND ENVIRONMENT BILL  
BY CO=CHAIRPERSON BLACK)

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

## A BILL FOR

1 An Act relating to water quality, by eliminating certain public  
2 water supply system permit fee requirements, creating a water  
3 quality needs and infrastructure program and fund, providing  
4 for an advisory committee, and making appropriations.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1798SC 81  
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1 1 Section 1. Section 455B.183A, subsection 1, Code 2005, is  
1 2 amended to read as follows:  
1 3 1. A water quality protection fund is created in the state  
1 4 treasury under the control of the department. The fund  
1 5 consists of moneys appropriated to the fund by the general  
1 6 assembly, ~~moneys deposited into the fund from fees described~~  
1 7 ~~in subsection 2,~~ moneys deposited into the fund from fees  
1 8 collected pursuant to sections 455B.187 and 455B.190A, and  
1 9 other moneys available to and obtained or accepted by the  
1 10 department from the United States government or private  
1 11 sources for placement in the fund. The fund is divided into  
1 12 three accounts, including the administration account, the  
1 13 public water supply system account, and the private water  
1 14 supply system account. Moneys in the administration account  
1 15 are appropriated to the department for purposes of carrying  
1 16 out the provisions of this division, which relate to the  
1 17 administration, regulation, and enforcement of the federal  
1 18 Safe Drinking Water Act. Moneys in the public water supply  
1 19 system account are appropriated to the department to support  
1 20 the program to assist supply systems, as provided in section  
1 21 455B.183B. Moneys in the private water supply system account  
1 22 are appropriated to the department for the purpose of  
1 23 supporting the programs established to protect private  
1 24 drinking water supplies as provided in sections 455B.187,  
1 25 455B.188, 455B.190, and 455B.190A.  
1 26 Sec. 2. Section 455B.183A, subsection 2, Code 2005, is  
1 27 amended by striking the subsection.  
1 28 Sec. 3. NEW SECTION. 455B.183D WATER QUALITY NEEDS AND  
1 29 INFRASTRUCTURE PROGRAM == FUND.  
1 30 1. The department shall establish and administer a water  
1 31 quality needs and infrastructure program. The program shall  
1 32 provide financial assistance for the administration,  
1 33 regulation, and enforcement of the federal Safe Drinking Water  
1 34 Act, source water protection grants, and infrastructure loans  
1 35 to water systems.  
2 1 2. a. A water quality needs and infrastructure fund is  
2 2 created in the state treasury under the control of the  
2 3 department. Notwithstanding section 423.2, subsection 10,  
2 4 revenues received from the taxation of water pursuant to  
2 5 section 423.2, subsection 2, shall be deposited in the water  
2 6 quality needs and infrastructure fund as provided in this  
2 7 section. For the fiscal year beginning July 1, 2005, and  
2 8 ending June 30, 2006, twenty percent of the revenues collected  
2 9 shall be deposited in the fund. For the fiscal year beginning  
2 10 July 1, 2006, and ending June 30, 2007, forty percent of the  
2 11 revenues collected shall be deposited in the fund. For the  
2 12 fiscal year beginning July 1, 2007, and ending June 30, 2008,  
2 13 sixty percent of the revenues collected shall be deposited in  
2 14 the fund. For the fiscal year beginning July 1, 2008, and

2 15 ending June 30, 2009, eighty percent of the revenues collected  
2 16 shall be deposited in the fund. For the fiscal year beginning  
2 17 July 1, 2009, and each fiscal year thereafter, one hundred  
2 18 percent of the revenues collected shall be deposited in the  
2 19 fund.

2 20 b. Notwithstanding section 8.33, moneys in the water  
2 21 quality needs and infrastructure fund at the end of each  
2 22 fiscal year shall not revert to any other fund but shall  
2 23 remain in the fund for expenditure in subsequent fiscal years.  
2 24 Notwithstanding section 12C.7, interest and earnings on moneys  
2 25 in the fund shall be credited to the fund.

2 26 c. Within the water quality needs and infrastructure fund,  
2 27 the department shall create the following accounts:

2 28 (1) A water quality protection account.

2 29 (2) A drinking water infrastructure revolving loan  
2 30 account.

2 31 (3) A source water protection account.

2 32 d. Moneys deposited in the fund in a fiscal year pursuant  
2 33 to paragraph "a" shall be allocated as follows:

2 34 (1) The first two million dollars shall be deposited in  
2 35 the water quality protection account and is appropriated to  
3 1 the department to be used for purposes of enforcing provisions  
3 2 of the federal Safe Drinking Water Act as delegated to the  
3 3 state.

3 4 (2) Any moneys in excess of two million dollars shall be  
3 5 divided and allocated as follows:

3 6 (a) Fifty percent shall be deposited in the drinking water  
3 7 infrastructure revolving loan account and is appropriated to  
3 8 the department to be used for purposes of providing low-  
3 9 interest loans to public water systems and community water  
3 10 systems which can comply with or have the potential to comply  
3 11 with the financial, technical, and managerial criteria of a  
3 12 viability assessment and remain in compliance with  
3 13 requirements of the federal Safe Drinking Water Act.

3 14 (b) Fifty percent shall be deposited in the source water  
3 15 protection account and is appropriated to the department to be  
3 16 used for the purpose of building capacity for wellhead and  
3 17 watershed protection initiatives.

3 18 Sec. 4. ADVISORY COMMITTEE. The department of natural  
3 19 resources shall form an advisory committee for purposes of  
3 20 assisting in the development of rules to administer this Act.  
3 21 The advisory committee shall assist in the development of  
3 22 qualification criteria for the approval of programs and  
3 23 projects receiving financial assistance under this Act. The  
3 24 advisory committee shall consist of representatives from the  
3 25 following entities:

- 3 26 1. The department of natural resources.
- 3 27 2. The department of agriculture and land stewardship.
- 3 28 3. The college of agriculture at Iowa state university of  
3 29 science and technology.
- 3 30 4. The college of public health at the university of Iowa.
- 3 31 5. The Iowa association of municipal utilities.
- 3 32 6. The Iowa association of water agencies.
- 3 33 7. The Iowa section of the American water works  
3 34 association.
- 3 35 8. The Iowa rural water association.
- 4 1 9. The Iowa water pollution control association.
- 4 2 10. The Iowa league of cities.
- 4 3 11. The natural resources conservation service of the  
4 4 United States department of agriculture.
- 4 5 12. The Iowa environmental council.
- 4 6 13. Iowa agstate group.

#### 4 7 EXPLANATION

4 8 This bill creates a water quality needs and infrastructure  
4 9 program and fund.

4 10 The bill eliminates a provision requiring the environmental  
4 11 protection commission to adopt certain fees for certain  
4 12 permits required for public water supply systems.

4 13 The bill requires the department of natural resources to  
4 14 establish and administer a water quality needs and  
4 15 infrastructure program. The bill provides that the program  
4 16 shall provide financial assistance for the administration,  
4 17 regulation, and enforcement of the federal Safe Drinking Water  
4 18 Act, source water protection grants, and infrastructure loans  
4 19 to water systems.

4 20 The bill creates a water quality needs and infrastructure  
4 21 fund in the state treasury under the control of the  
4 22 department. The bill provides that a certain percentage of  
4 23 the revenues received from the taxation of water shall be  
4 24 deposited in the water quality needs and infrastructure fund.  
4 25 The percentage of revenues to be deposited increases by 20

4 26 percent for each fiscal year beginning July 1, 2005, and  
4 27 ending June 30, 2010.

4 28 The bill creates a water quality protection account, a  
4 29 drinking water infrastructure revolving loan account, and a  
4 30 source water protection account within the fund. The bill  
4 31 appropriates moneys to the department by allocating the first  
4 32 \$2 million to be deposited in the water quality protection  
4 33 account to be used for purposes of enforcing provisions of the  
4 34 federal Safe Drinking Water Act as delegated to the state.

4 35 Any moneys in excess of \$2 million are appropriated by  
5 1 allocating 50 percent to be deposited in the drinking water  
5 2 infrastructure revolving loan account to be used for purposes  
5 3 of providing low-interest loans to public water systems and  
5 4 community water systems which can comply with or have the  
5 5 potential to comply with the financial, technical, and  
5 6 managerial criteria of a viability assessment and remain in  
5 7 compliance with requirements of the federal Safe Drinking  
5 8 Water Act, and 50 percent to be deposited in the source water  
5 9 protection account to be used for the purpose of building  
5 10 capacity for wellhead and watershed protection initiatives.

5 11 The bill provides that the department shall form an  
5 12 advisory committee for purposes of assisting in the  
5 13 development of administrative rules and in the development of  
5 14 qualification criteria for the approval of programs and  
5 15 projects receiving financial assistance under the bill.

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