

House Study Bill 645 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON HEIN)

A BILL FOR

1 An Act relating to certain water quality programs and other
2 provisions properly related to water quality, making
3 appropriations, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 16.1, Code 2018, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 18A. "*Iowa nutrient reduction strategy*"
4 means the same as defined in section 455B.171, as amended by
5 2018 Iowa Acts, Senate File 512, section 18.

6 Sec. 2. Section 16.134, subsection 4, paragraph f, as
7 enacted by 2018 Iowa Acts, Senate File 512, section 4, is
8 amended to read as follows:

9 *f.* Priority shall also be given to communities that employ
10 technology to address the ~~latest version~~ goals of the "~~Iowa~~
11 ~~Nutrient Reduction Strategy~~" ~~initially presented in November~~
12 ~~2012 by the department of agriculture and land stewardship, the~~
13 ~~department of natural resources, and Iowa state university of~~
14 ~~science and technology~~ Iowa nutrient reduction strategy.

15 Sec. 3. Section 16.134, subsection 4, Code 2017, as amended
16 by 2018 Iowa Acts, Senate File 512, section 4, is amended by
17 adding the following new paragraph:

18 NEW PARAGRAPH. 0g. Priority shall also be given to
19 communities whose drinking water facilities and systems use as
20 a supply, or to projects whose completion will improve, surface
21 waters on the state's impaired waters list as described in
22 section 455B.194 and 455B.195.

23 Sec. 4. Section 16.142, subsection 2, as enacted by 2018
24 Iowa Acts, Senate File 512, section 6, is amended to read as
25 follows:

26 2. "*Eligible entity*" means a municipality or a landowner,
27 as determined by the authority, a public utility as defined in
28 section 476.1, a specified industry, or a rural water district
29 or rural water association as defined in section 357A.1.

30 Sec. 5. Section 16.142, as enacted by 2018 Iowa Acts, Senate
31 File 512, section 6, is amended by adding the following new
32 subsection:

33 NEW SUBSECTION. 7. "*Specified industry*" means any of the
34 following:

35 *a.* An entity engaged in an industry identified in the Iowa

1 nutrient reduction strategy, as determined by the authority,
2 which industry is or will be required pursuant to the Iowa
3 nutrient reduction strategy to collect data on the source,
4 concentration, and mass of total nitrogen or total phosphorus
5 in its effluent, and to evaluate alternatives for reducing the
6 amount of nutrients in its discharge.

7 *b.* An entity implementing technology or operational
8 improvements to reduce nutrients in its discharge.

9 Sec. 6. Section 16.144, subsection 4, as enacted by 2018
10 Iowa Acts, Senate File 512, section 8, is amended to read as
11 follows:

12 4. By October 1, ~~2018~~ 2019, and by October 1 of each year
13 thereafter, the authority shall submit a report to the governor
14 and the general assembly itemizing expenditures from the fund,
15 if any, during the previous fiscal year.

16 Sec. 7. Section 16.145, subsection 1, paragraph a, as
17 enacted by 2018 Iowa Acts, Senate File 512, section 9, is
18 amended to read as follows:

19 *a.* The plan includes one or more projects that improve
20 water quality in the local area or watershed. Projects
21 shall use practices identified in the ~~latest version of the~~
22 ~~document entitled "Iowa Nutrient Reduction Strategy" initially~~
23 ~~presented in November 2012 by the department of agriculture~~
24 ~~and land stewardship, the department of natural resources,~~
25 ~~and Iowa state university of science and technology Iowa~~
26 nutrient reduction strategy. ~~A drainage or levee district~~
27 ~~established under chapter 468 shall utilize the installation of~~
28 ~~edge-of-field infrastructure as described in section 466B.43.~~

29 Sec. 8. Section 16.145, subsection 2, as enacted by 2018
30 Iowa Acts, Senate File 512, section 9, is amended to read as
31 follows:

32 2. The authority shall review and approve or deny
33 applications for financial assistance. The provision of
34 financial assistance under the program shall take into account,
35 as applicable, the number of municipalities, landowners,

1 public utilities, specified industries, rural water districts,
2 or rural water associations comprising an eligible entity
3 and the eligible entity's financing capacity. The authority
4 shall score applications for financial assistance according to
5 rules adopted pursuant to this part. The authority shall only
6 provide financial assistance to eligible entities that have
7 sufficient financing capacity and that submit an appropriate
8 plan designed to improve water quality.

9 Sec. 9. Section 466B.2, Code 2018, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 2A. *"Iowa nutrient reduction strategy"*
12 means the same as defined in section 455B.171, as amended by
13 2018 Iowa Acts, Senate File 512, section 18.

14 Sec. 10. [Section 466B.3, subsection 3](#), paragraph c, Code
15 2017, as amended by 2018 Iowa Acts, Senate File 512, section
16 21, is amended to read as follows:

17 c. Whether the funds, programs, and regulatory efforts
18 coordinated by the council eventually result in a long-term
19 improvement to the quality of surface water in Iowa. To
20 evaluate the progress achieved over time toward the goals of
21 the Iowa nutrient reduction strategy, ~~as defined in section~~
22 ~~455B.171~~, and the United States environmental protection agency
23 gulf hypoxia action plan, the baseline condition shall be
24 calculated for the time period from 1980 to 1996.

25 Sec. 11. [Section 466B.42, Code 2017](#), as amended by 2018
26 Iowa Acts, Senate File 512, section 22, is amended to read as
27 follows:

28 **466B.42 Water quality initiative.**

29 The division shall establish a water quality initiative
30 in order to assess and reduce nutrients in this state's
31 watersheds, including subwatersheds and regional watersheds,
32 and for implementing its responsibilities under the Iowa
33 nutrient reduction strategy ~~as defined in section 455B.171~~.
34 The division shall establish and administer projects to
35 reduce nutrients in surface waters from nonpoint sources in

1 a scientific, reasonable, and cost-effective manner. The
2 division shall utilize a pragmatic, strategic, and coordinated
3 approach with the goal of accomplishing reductions over time.
4 To evaluate the progress achieved over time toward the goals
5 of the Iowa nutrient reduction strategy and the United States
6 environmental protection agency gulf hypoxia action plan, the
7 baseline condition shall be calculated for the time period from
8 1980 to 1996.

9 Sec. 12. Section 466B.43, subsection 2, as enacted by 2018
10 Iowa Acts, Senate File 512, section 23, is amended to read as
11 follows:

12 2. The purpose of the programs is to support projects for
13 the installation of infrastructure, including conservation
14 structures, practices, or other measures that reduce
15 contributing nutrient loads, associated sediment, or
16 contaminants from sources to surface waters including but not
17 limited to surface waters on the impaired waters list of the
18 state that are used as a drinking water supply. The programs
19 shall be administered in a manner that is consistent with
20 ~~the latest version of the "Iowa Nutrient Reduction Strategy"~~
21 ~~initially presented in November 2012 by the department of~~
22 ~~agriculture and land stewardship, the department of natural~~
23 ~~resources, and Iowa state university of science and technology~~
24 Iowa nutrient reduction strategy.

25 Sec. 13. Section 466B.43, subsection 6, as enacted by 2018
26 Iowa Acts, Senate File 512, section 23, is amended to read as
27 follows:

28 6. By October 1, ~~2018~~ 2019, and each October 1, thereafter,
29 the division shall submit a report to the governor and the
30 general assembly itemizing expenditures, by hydrologic unit
31 code 8 watershed, under the programs during the previous fiscal
32 year, if any.

33 Sec. 14. Section 466B.44, subsections 2 and 7, as enacted
34 by 2018 Iowa Acts, Senate File 512, section 24, are amended to
35 read as follows:

1 2. The purpose of the program is to support watershed
2 projects and advance implementation of the ~~latest version of~~
3 ~~the "Iowa Nutrient Reduction Strategy" initially presented~~
4 ~~in November 2012 by the department of agriculture and~~
5 ~~land stewardship, the department of natural resources,~~
6 ~~and Iowa state university of science and technology Iowa~~
7 nutrient reduction strategy, which program support may
8 include demonstration projects that decrease erosion,
9 precipitation-induced surface runoff, and storm water
10 discharges and that increase water infiltration rates. The
11 program's projects shall be based on Iowa's storm water
12 management manual published by the department of natural
13 resources.

14 7. By October 1, ~~2018~~ 2019, and by October 1 of each year
15 thereafter, the division shall submit a report to the governor
16 and the general assembly itemizing expenditures under the
17 program, if any, during the previous fiscal year.

18 Sec. 15. 2018 Iowa Acts, Senate File 512, section 25,
19 subsections 1 and 3, are amended to read as follows:

20 1. The legislative council is requested to establish a
21 study committee for the ~~2017~~ 2018 interim to identify and
22 comprehensively review the financial and other challenges faced
23 by small cities in complying with the various state and federal
24 clean water standards, and to consider options for addressing
25 those challenges.

26 3. The interim committee shall submit its findings and
27 recommendations to the general assembly for consideration
28 during the ~~2018~~ 2019 legislative session.

29 Sec. 16. 2015 Iowa Acts, chapter 132, section 18, subsection
30 1, is amended by adding the following new subsection:

31 NEW SUBSECTION. 0b. The soil conservation and water quality
32 division of the department of agriculture and land stewardship,
33 in cooperation with Iowa state university of science and
34 technology, shall use moneys appropriated in paragraph "a"
35 to administer education and outreach programs that provide

1 information regarding in-field agricultural practices, and
2 their value, in order to further enhance the rate that such
3 practices are adopted.

4 Sec. 17. 2015 Iowa Acts, chapter 132, section 18, subsection
5 1, paragraph b, is amended to read as follows:

6 b. Notwithstanding [section 8.33](#), moneys appropriated in
7 paragraph "a" that remain unencumbered or unobligated at the
8 close of the fiscal year shall not revert but shall remain
9 available for expenditure for the purposes designated until the
10 close of the fiscal year beginning July 1, ~~2017~~ 2019.

11 Sec. 18. EFFECTIVE UPON ENACTMENT. The sections of this Act
12 amending 2015 Iowa Acts, chapter 132, section 18, take effect
13 upon enactment.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 BACKGROUND. Senate File 512 (SF 512), as enacted by the
18 general assembly in 2018, creates new water quality programs,
19 amends an existing water quality program, provides for
20 transfers and appropriations related to water quality, creates
21 a water service excise tax and related sales tax exemption, and
22 provides for other changes properly related to water quality.

23 GENERAL AMENDMENTS TO SF 512. This bill eliminates the
24 way in which the Iowa nutrient reduction strategy is cited in
25 various provisions.

26 The bill eliminates a provision that requires drainage or
27 levee districts to utilize the installation of edge-of-field
28 infrastructure.

29 The bill relates to the wastewater treatment financial
30 assistance program (Code section 16.134). SF 512 provides
31 grants for the installation and upgrade of drinking water
32 facilities and by giving priority under that program to various
33 communities and projects. The bill provides that priority
34 under that program must also be given to communities whose
35 drinking water facilities and systems use as a supply, or to

1 projects whose completion will improve, surface waters on the
2 impaired waters list of the state.

3 The bill amends the water quality financing program by
4 providing that a specified industry is eligible to participate
5 and receive financial assistance under that program.

6 The bill amends water quality agriculture infrastructure
7 programs. SF 512 provides that the purpose of those programs
8 is to support certain measures that reduce nutrient loads,
9 associated sediment, or contaminants from sources to surface
10 waters. The bill provides that surface waters include but are
11 not limited to those described as the state's impaired waters
12 list that are used as a drinking water supply.

13 The bill updates the inaugural date that annual reports
14 from the economic development authority and the division of
15 soil conservation and water quality within the department
16 of agriculture and land stewardship are due under the water
17 quality financing program and the water quality agriculture
18 infrastructure programs, respectively, from October 1, 2018,
19 to October 1, 2019.

20 The bill updates the establishment date for the legislative
21 interim study committee on small cities and clean water
22 standards, from the 2017 legislative interim to the 2018
23 legislative interim. The bill also updates from 2018 to 2019
24 the legislative session for which that interim committee,
25 is required to submit its findings for consideration by the
26 general assembly.

27 AMENDMENT TO PRIOR ACT. The bill amends a provision enacted
28 in 2015 (2015 Iowa Acts, chapter 132) that appropriated moneys
29 from the agriculture management account of the groundwater
30 protection fund to Iowa state university of science and
31 technology for purposes of supporting the collection and use
32 of data associated with in-field practices. The bill provides
33 that the remaining moneys may also be used to finance related
34 education and outreach programs. The bill provides that the
35 moneys may be expended for those purposes until the close of

1 the fiscal year beginning July 1, 2019.

2 EFFECTIVE DATE. The bill makes the provision authorizing
3 the use of moneys appropriated from the groundwater protection
4 fund effective upon enactment.