

FEB 1 1 2005
Place On Calendar

HOUSE FILE 291
BY COMMITTEE ON ENVIRONMENTAL
PROTECTION

(SUCCESSOR TO HSB 37)

Passed House, Date 2-16-05 Passed Senate, Date 4-11-05
Vote: Ayes 100 Nays 0 Vote: Ayes 49 Nays 0
Approved April 15, 2005

A BILL FOR

1 An Act relating to accounts and fees under the water quality
2 protection fund.

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

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HF 291

1 Section 1. Section 455B.183A, subsection 1, Code 2005, is
2 amended to read as follows:

3 1. A water quality protection fund is created in the state
4 treasury under the control of the department. The fund
5 consists of moneys appropriated to the fund by the general
6 assembly, moneys deposited into the fund from fees described
7 in subsection 2, moneys deposited into the fund from fees
8 collected pursuant to sections 455B.187 and 455B.190A, and
9 other moneys available to and obtained or accepted by the
10 department from the United States government or private
11 sources for placement in the fund. The fund is divided into
12 ~~three-accounts,-including-the-administration-account,~~ the
13 public water supply system account, and the private water
14 supply system account. Moneys in the administration public
15 water supply system account are appropriated to the department
16 for purposes of carrying out the provisions of this division,
17 which relate to the administration, regulation, and
18 enforcement of the federal Safe Drinking Water Act.--~~Moneys-in~~
19 ~~the-public-water-supply-system-account-are-appropriated-to-the~~
20 department, and to support the program to assist supply
21 systems, as provided in section 455B.183B. Moneys in the
22 private water supply system account are appropriated to the
23 department for the purpose of supporting the programs
24 established to protect private drinking water supplies as
25 provided in sections 455B.187, 455B.188, 455B.190, and
26 455B.190A.

27 Sec. 2. Section 455B.183A, subsection 2, paragraph b, Code
28 2005, is amended to read as follows:

29 b. The operation of a public water supply system,
30 including any part of the system. The commission shall adopt
31 a fee schedule which shall be based on the total number of
32 persons served by public water supply systems in this state.
33 However, a public water supply system shall be assessed a fee
34 of at least twenty-five dollars. A public water supply system
35 not owned or operated by a community and serving a transient

1 population shall be assessed a fee of twenty-five dollars.
2 The commission shall calculate all fees in the schedule to
3 produce total revenues equaling three hundred fifty thousand
4 dollars for each fiscal year, commencing with the fiscal year
5 beginning July 1, 1995, and ending June 30, 1996. For each
6 fiscal year, ~~one-half-of~~ the fees shall be deposited ~~into-the~~
7 ~~administration-account-and-one-half-of-the-fees-shall-be~~
8 deposited into the public water supply system account. By May
9 1 of each year, the department shall estimate the total
10 revenue expected to be collected from the overpayment of fees,
11 which are all fees in excess of the amount of the total
12 revenues which are expected to be collected under the current
13 fee schedule, and the total revenue expected to be collected
14 from the payment of fees during the next fiscal year. The
15 commission shall adjust the fees if the estimate exceeds the
16 amount of revenue required to be deposited in the fund account
17 pursuant to this paragraph.

18 EXPLANATION

19 This bill relates to accounts and fees under the water
20 quality protection fund.

21 The bill eliminates the administration account of the water
22 quality protection fund and provides that moneys formerly
23 deposited in the administration account be deposited in the
24 public water supply system account of the same fund. The bill
25 provides for the appropriation of moneys from the public water
26 supply system account for administrative purposes.

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*Chair Steve Olson
Rick Anderson
Donovan Olson*

HSB 37

Sponsored By
SF. 0291 ENVIRONMENTAL PROTECTION
SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
NATURAL RESOURCES BILL)

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

A BILL FOR

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15 ~~water supply system account are appropriated to the department~~
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17 ~~which relate to the administration, regulation, and~~
18 ~~enforcement of the federal Safe Drinking Water Act.---Moneys in~~
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31 a fee schedule which shall be based on the total number of
32 persons served by public water supply systems in this state.
33 ~~However, a public water supply system shall be assessed a fee~~
34 ~~of at least twenty-five dollars.---A public water supply system~~
35 ~~not owned or operated by a community and serving a transient~~

1 ~~population shall be assessed a fee of twenty-five dollars.~~
2 The commission shall calculate all fees in the schedule to
3 produce total revenues equaling three hundred fifty thousand
4 dollars for each fiscal year, commencing with the fiscal year
5 beginning July 1, 1995, and ending June 30, 1996. For each
6 fiscal year, ~~one-half of the fees shall be deposited into the~~
7 ~~administration account and one-half of the fees shall be~~
8 deposited into the public water supply system account. By May
9 1 of each year, the department shall estimate the total
10 revenue expected to be collected from the overpayment of fees,
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12 revenues which are expected to be collected under the current
13 fee schedule, and the total revenue expected to be collected
14 from the payment of fees during the next fiscal year. The
15 commission shall adjust the fees if the estimate exceeds the
16 amount of revenue required to be deposited in the fund account
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EXPLANATION

19 This bill relates to accounts and fees under the water
20 quality protection fund.

21 The bill eliminates the administration account of the water
22 quality protection fund and provides that moneys formerly
23 deposited in the administration account be deposited in the
24 public water supply system account of the same fund. The bill
25 provides for the appropriation of moneys from the public water
26 supply system account for administrative purposes. The bill
27 eliminates the minimum amount for fees assessed to public
28 water supply systems. The bill also eliminates a \$25 fee
29 assessed to public water supply systems not owned or operated
30 by a community and serving a transient population.

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STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
JEFFREY R. VONK, DIRECTOR

To: General Assembly

From: Jeffrey R. Vonk, Director 
Iowa Department of Natural Resources

Date: January 13, 2005

Re: Water Quality Protection Regulations

This bill deals with the public drinking water program in Iowa.

The proposed bill amends the **Water Quality Protection Fund** provisions in Iowa Code Section 455B.183A to eliminate both the statutorily fixed \$25 maximum fee for transient non-community public water supply systems and the statutorily fixed \$25 minimum fee for all public water supply systems. This will allow the DNR to set the fees to more equitably reflect the cost of operating the program for these small public water supply systems.

The proposed bill will also eliminate the requirement that the collected fees be split into two public water supply accounts: the administration account (used to administer the program) and the public water supply system account (used for technical assistance). The 50:50 split of funds between the two accounts was needed in 1995 to ensure a funding source for technical assistance in Iowa. Now, the federal government has a funding mechanism for the technical assistance program through the drinking water state revolving loan fund's technical assistance set-aside that yields approximately \$280,000 per year. By eliminating the split, the full fee revenue can be used to match federal monies for the administration of the program, yielding additional federal funds.

With the elimination of the requirement to split the collected fees, the two accounts can be combined into one "public water supply system account", which will easily differentiate the account purpose from the private water supply account in the same fund.

These changes will allow the DNR to more effectively fund the public water supply program, which is responsible for the safety and protection of the state's 2,000 public drinking water supplies through implementation of the federal Safe Drinking Water Act. Since the Water Quality Protection Fund was established in 1995, the U.S. EPA has adopted many significant federal regulations that also must be adopted in Iowa in order for the state to retain primacy for the drinking water program. As an incentive for the state to retain primacy, the U.S. EPA provides Iowa a \$14,000,000 grant per year for a low-interest revolving loan fund, designated for the state's public water supplies for infrastructure improvements and to meet the Safe Drinking Water Act requirements (e.g., new water well, replacement of existing piping, additional treatment, etc.).

HOUSE FILE 291

AN ACT

RELATING TO ACCOUNTS AND FEES UNDER THE WATER QUALITY
PROTECTION FUND.

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

Section 1. Section 455B.183A, subsection 1, Code 2005, is amended to read as follows:

1. A water quality protection fund is created in the state treasury under the control of the department. The fund consists of moneys appropriated to the fund by the general assembly, moneys deposited into the fund from fees described in subsection 2, moneys deposited into the fund from fees collected pursuant to sections 455B.187 and 455B.190A, and other moneys available to and obtained or accepted by the department from the United States government or private sources for placement in the fund. The fund is divided into ~~three accounts, including the administration account,~~ the public water supply system account, and the private water supply system account. Moneys in the ~~administration~~ public water supply system account are appropriated to the department

for purposes of carrying out the provisions of this division, which relate to the administration, regulation, and enforcement of the federal Safe Drinking Water Act. ~~Moneys in the public water supply system account are appropriated to the department,~~ and to support the program to assist supply systems, as provided in section 455B.183B. Moneys in the private water supply system account are appropriated to the department for the purpose of supporting the programs established to protect private drinking water supplies as provided in sections 455B.187, 455B.188, 455B.190, and 455B.190A.

Sec. 2. Section 455B.183A, subsection 2, paragraph b, Code 2005, is amended to read as follows:

b. The operation of a public water supply system, including any part of the system. The commission shall adopt a fee schedule which shall be based on the total number of persons served by public water supply systems in this state. However, a public water supply system shall be assessed a fee of at least twenty-five dollars. A public water supply system not owned or operated by a community and serving a transient population shall be assessed a fee of twenty-five dollars. The commission shall calculate all fees in the schedule to produce total revenues equaling three hundred fifty thousand dollars for each fiscal year, commencing with the fiscal year beginning July 1, 1995, and ending June 30, 1996. For each fiscal year, ~~one-half of the fees shall be deposited into the administration account and one-half of the fees shall be~~ deposited into the public water supply system account. By May 1 of each year, the department shall estimate the total revenue expected to be collected from the overpayment of fees, which are all fees in excess of the amount of the total revenues which are expected to be collected under the current fee schedule, and the total revenue expected to be collected from the payment of fees during the next fiscal year. The commission shall adjust the fees if the estimate exceeds the

amount of revenue required to be deposited in the fund account
pursuant to this paragraph.

CHRISTOPHER C. RANTS
Speaker of the House

JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 291, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved April 15, 2005

THOMAS J. VILSACK
Governor