

HB 338-FN-LOCAL – AS INTRODUCED

2013 SESSION

13-0661
06/10

HOUSE BILL ***338-FN-LOCAL***

AN ACT relative to the state contribution for water pollution control.

SPONSORS: Rep. Umberger, Carr 2; Rep. Buco, Carr 2; Rep. Chandler, Carr 1

COMMITTEE: Resources, Recreation and Development

ANALYSIS

This bill requires the state contribution toward costs from the acquisition and construction of water pollution control facilities by municipalities to be applied against the principal on any bond project funded after fiscal year 2008.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the state contribution for water pollution control.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Water Pollution Control; State Contributions. Amend RSA 486:1, I(a) to read as follows:

2 I.(a) The state of New Hampshire shall, in addition to any federal grant made available
3 under the provisions of the Clean Water Act of 1977 (or subsequent amendments thereof), pay
4 annually 20 percent of the annual amortization charges, meaning principal and interest **for any**
5 **projects funded prior to fiscal year 2008**, on the original costs resulting from the acquisition and
6 construction of sewage disposal facilities by municipalities (meaning counties, cities, towns, or village
7 districts), in accordance with RSA 485:8, RSA 485-A:4, IX, and RSA 485-A:4, XII, for the control of
8 water pollution. The word “construction” shall include engineering services, in addition to the
9 construction of new sewage treatment plants, pumping stations, intercepting sewers, and sewer
10 separation by storm drains when the latter can be demonstrated as a cost-effective method for
11 eliminating a combined sewer overflow structure; the altering, improving or adding to existing
12 treatment plants, pumping stations, intercepting sewers, and sewer separation by storm drains
13 when the latter can be demonstrated as a cost-effective method for eliminating a combined sewer
14 overflow structure; provided the construction has been directed by the department, or constitutes a
15 voluntary undertaking designed to control or reduce pollution in the surface waters of the state as
16 defined in RSA 485-A:2, and the plan therefor is approved in compliance with the provisions of RSA
17 485:8, RSA 485-A:4, IX, and RSA 485-A:4, XII. The term “eligible costs” as used in this section shall
18 mean the entire cost of the construction of treatment plants, pumping stations, intercepting sewers
19 and sewer separation by storm drains as defined in the Clean Water Act of 1977.

20 2 New Subparagraph; State Contributions; Funding to be Applied to Principal. Amend RSA
21 486:1, I by inserting after subparagraph (b) the following new subparagraph:

22 (c) Beginning with water projects on the department’s delayed/deferred list since fiscal
23 year 2008, the department shall not exceed \$4,000,000 per fiscal year less any debt service payments
24 owed in the fiscal year, unless otherwise provided by an act of the general court. The eligible surface
25 water projects shall be funded from state operating budget appropriations and no state bonds shall
26 be authorized or issued for the purpose of funding such surface water projects. The 20 percent grant
27 funding shall be provided upon approval of the project by the department which shall be applied by
28 the receiving entity against the principal on any bond eligible project.

29 3 Water Pollution Control; State Contributions. Amend the introductory paragraph of RSA
30 486:1, III to read as follows:

31 III. Notwithstanding the provisions of paragraphs I and II, beginning July 1, 1993, the state

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1 of New Hampshire shall pay 20 percent of the annual amortization charges, meaning principal and
2 interest *for any project funded prior to fiscal year 2008*, on the costs resulting from the
3 acquisition and construction of sewage disposal facilities by municipalities (meaning counties, cities,
4 towns, or village districts), for the control of water pollution, which have commenced construction of
5 wastewater treatment facilities since July 1, 1990. *Sewage disposal facility projects approved*
6 *by the department in fiscal year 2008 and thereafter shall be funded from state operating*
7 *budget appropriations and no state bonds shall be authorized or issued for the purpose of*
8 *funding such projects. The 20 percent grant funding shall be provided upon approval of*
9 *the final eligible project cost by the department which will be applied by the receiving*
10 *entity against the principal on any bond eligible project. The department shall not*
11 *authorize an entity to enter into a contract for construction projects unless funding is*
12 *available in the biennium. An entity may request authorization with the written*
13 *understanding that no state funds will be available to offset the cost of the project.*

14 4 Alternate State Contributions. Amend RSA 486:3 to read as follows:

15 486:3 Alternate State Contribution.

16 I. The North Conway Water Precinct or any of the municipalities of Derry, Salem, Wolfeboro,
17 Hampton, Sunapee, Rochester, Laconia or any other municipality in receipt of an order issued by the
18 department according to its priority criteria to undertake the construction of sewage disposal
19 facilities in accordance with the provisions of RSA 485 or 485-A without the benefit of a federal grant
20 is entitled to an alternate state contribution. This alternate contribution shall consist of the
21 payment of 20 percent of the annual amortization charges, meaning principal and interest *for any*
22 *project funded prior to fiscal year 2008*, on the original costs resulting from the acquisition and
23 construction of the sewage disposal facilities. The word “construction” shall include engineering
24 services, in addition to the construction of new sewage treatment plants, pumping stations, and
25 intercepting sewers; and the altering, improving, or adding to existing treatment plants, pumping
26 stations, and existing intercepting sewers, provided that the construction has been directed by the
27 department or is an undertaking designed to control or reduce pollution in the ground or surface
28 waters of the state, as defined in RSA 485-A:2, and provided that the plan for the facilities is
29 approved in accordance with RSA 485:8. The term “original costs” as used in this section shall mean
30 the entire cost of the construction as defined above, excluding land acquisition, easements, and rights
31 of way necessary to the project.

32 II. In addition to any state contribution provided in this chapter, the commissioner of the
33 department of environmental services, with approval from the governor and council, may, upon
34 review of plans submitted by a municipality, and within the limits of available appropriations, pay
35 10 percent of the annual amortization charges, meaning principal and interest *for any project*
36 *funded prior to fiscal year 2008*, on the eligible costs resulting from the acquisition and
37 construction of sewage disposal facilities when such acquisition or construction will result in user

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1 fees that are 20 percent above the state-wide average for residential users, due to the adverse impact
2 on the municipality's residences and businesses caused by such user fees. The term "eligible costs"
3 as used in this paragraph shall exclude land acquisition, except for land which shall be an integral
4 part of a treatment process; easements and rights of way necessary to the project; collector sewers;
5 and any administrative, legal, and fiscal costs related to the project.

6 III. In addition to any other state contribution provided under this chapter to municipalities
7 for water pollution control, the commissioner may, with approval from the governor and council, and
8 upon review of plans and specifications submitted by a municipality and within the limits of
9 available appropriations, pay 10 percent of the annual amortization charges, meaning principal and
10 interest ***for any project funded prior to fiscal year 2008***, on the eligible costs resulting from the
11 acquisition and construction of septage and sludge handling and treatment facilities when such
12 acquisition or construction will result in increased septage handling and/or treatment capacity to
13 meet the septage disposal needs for that municipality, and pay 2 percent of the annual amortization
14 charges, meaning principal and interest ***for any project funded prior to fiscal year 2008***, on the
15 eligible costs resulting from the acquisition and construction of septage and sludge handling and
16 treatment facilities when such acquisition or construction will result in increased septage handling
17 and/or treatment capacity to meet the septage disposal needs for each additional New Hampshire
18 municipality pursuant to RSA 485-A:5-b, but not to exceed a total of 50 percent total contribution,
19 including other contribution provided by this chapter. The term "eligible costs" as used in this
20 paragraph shall exclude land acquisition, except for land that shall be an integral part of a treatment
21 process; easements and rights of way necessary to the project; and any administrative, legal, and
22 fiscal costs related to the project.

23 ***IV. Beginning with projects on the department's delayed/deferred list since fiscal***
24 ***year 2008, the department shall not exceed \$10,000,000 per fiscal year less any debt service***
25 ***payments owed in the fiscal year, unless otherwise provided by an act of the general court.***
26 ***The eligible pollution control projects shall be funded from state operating budget***
27 ***appropriations and no state bonds shall be authorized or issued for the purpose of funding***
28 ***such projects.***

29 5 Public Water Systems; State Contribution. Amend RSA 486-A:3 to read as follows:

30 486-A:3 State Contribution; Surface Water Treatment Costs; Water Supply Land Protection
31 Costs; Regional Water System Costs.

32 I.(a) Any public water system which is or was required, beginning in 1986, to achieve
33 compliance with the surface water treatment rules of the EPA or the rules of the New Hampshire
34 department of environmental services adopted to implement the federal Safe Drinking Water Act
35 amendments of 1986 shall be eligible for a state contribution. As its contribution, the state shall pay
36 20 percent of the annual amortization charges, meaning the principal and interest ***for any project***
37 ***funded prior to fiscal year 2008***, on the eligible surface water treatment costs resulting from the

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1 construction of new wells or a filtration system to meet the requirements of the surface water
2 treatment rules.

3 (b) To be eligible under RSA 486-A:3, I(a), construction shall be necessary in order for
4 the public water system to comply with the surface water treatment rules of the department or the
5 EPA, or both. Plans for construction shall be approved in accordance with the provisions of RSA
6 485:8.

7 II. The state may pay up to 25 percent of the eligible water supply land protection costs.

8 III. Any public water system which incurs eligible regional water system costs or eligible
9 evaluation of contributing area of groundwaters contribution to public wells that have recorded
10 levels of chemical contaminants costs, excluding MTBE, after the effective date of this paragraph
11 shall be eligible for a state contribution in accordance with the provisions of this chapter. As its
12 contribution, the state shall pay 25 percent of the annual amortization charges, meaning the
13 principal and interest *for any project funded prior to fiscal year 2008*, on the bonded eligible
14 regional water system costs, or 25 percent of non-bonded, eligible regional water system costs. Plans
15 for construction shall be approved in accordance with the provisions of RSA 485:8.

16 *IV. Beginning with projects approved for funding in fiscal year 2008 eligible*
17 *projects shall be funded at 20 percent with funds being applied to the principal. The 20*
18 *percent grant funding shall be provided, if money is available, otherwise projects shall be*
19 *placed on the deferred list and be funded as funds become available, upon approval of the*
20 *project by the department which shall be applied by the receiving agency against the*
21 *principal on any bond eligible project. The department shall not authorize an entity to*
22 *enter into a contract for construction projects unless funding is available in the biennium.*
23 *An entity may request authorization with the written understanding that no state funds*
24 *will be available to offset the cost of the project.*

25 6 Additional State Contribution. Amend RSA 486-A:4, I to read as follows:

26 I. In addition to any other state contribution provided in this chapter, the commissioner of
27 the department, with the approval from the governor and council, may, upon review of plans
28 submitted by a public water system and within the limits of available appropriations, pay 10 percent
29 of the annual amortization charges, meaning principal and interest *for any project funded prior*
30 *to fiscal year 2008*, on the eligible surface water treatment costs resulting from the installation and
31 construction of water supply facilities required by the surface water treatment rules of the Safe
32 Drinking Water Act.

33 7 New Paragraph; Additional State Contribution. Amend RSA 486-A:4 by inserting after
34 paragraph II the following new paragraph:

35 III. Water supply facility projects approved by the department in fiscal year 2008 and
36 thereafter shall be funded from state operating budget appropriations and no state bonds shall be
37 authorized or issued for the purpose of funding such projects. The 10 percent grant funding shall be

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- 1 provided upon approval of the project by the department which shall be applied by the receiving
- 2 entity against the principal on any bond eligible project.
- 3 8 Effective Date. This act shall take effect 60 days after its passage.

HB 338 FISCAL NOTE

AN ACT relative to the state contribution for water pollution control.

FISCAL IMPACT:

The Department of Environmental Services states this bill, **as introduced**, will decrease state expenditures and local revenue by an indeterminable amount in FY 2014 and each year thereafter. There will be no effect on state and county revenues, or county and local expenditures.

METHODOLOGY:

The Department of Environmental Services states this bill would limit the amount of state general funds that could be appropriated for state aid grants to eligible entities under RSA 486, should funds be appropriated for that purpose. It will also put certain conditions in place that would shrink the number of municipal projects eligible for these grants since project eligibility would not carry forward to the next year after construction and funding would be by “lump sums” rather than being tied to loan repayment schedules. The Department states the exact impact cannot be determined without knowing the amount appropriated for state aid grants each year and the demand for these grants. The Department states historically, appropriations have been higher than the ceiling of either \$4 million or \$10 million per fiscal year proposed in this bill. The Department assumes this bill will decrease state expenditures and local revenue.

This bill does not contain an appropriation.