

2022 Regular Session

SENATE BILL NO. 48

BY SENATOR REESE AND REPRESENTATIVE ZERINGUE

FUNDS/FUNDING. Provides for changes to the Water Sector Program. (gov sig)

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AN ACT

To amend and reenact R.S. 39:100.56(C), (D), (E), the introductory paragraph of (H), (I), and (J) and to repeal R.S. 39:100.56(H)(5), (O), and (P), relative to the Water Sector Program; to remove provisions relative to storm water; to provide for funding for small water and sewer systems; to provide relative to application period dates; to require the division of administration to post certain documents; to require the division of administration to conduct outreach efforts; to repeal provisions relative to capital outlay; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:100.56(C), (D), (E), the introductory paragraph of (H), (I), and (J) are hereby amended and reenacted to read as follows:

§100.56. Water Sector Program

\* \* \*

C. The Water Sector Program is hereby established to provide grant funding for repairs, improvements, and consolidation of community water and sewer systems; ~~and repairs and improvements necessitated by storm water.~~ The division of administration, office of facility planning and control, and the office of community

1 development shall administer the program in consultation with the Louisiana  
2 Department of Health and the Department of Environmental Quality. The division  
3 shall establish a working panel comprised of employees of the office of facility  
4 planning and control and the office of community development, within the division  
5 of administration, the office of public health within the Louisiana Department of  
6 Health, and the Department of Environmental Quality. The working panel shall  
7 review and rate applications submitted by community water systems, community  
8 sewer systems, and local governing authorities and submit recommendations for  
9 funding to the commission.

10 ~~D.(1) The commission shall hold its first meeting no later than June 30, 2021.~~  
11 ~~At its first meeting, the commission shall issue directives to the division to utilize in~~  
12 ~~the development of the guidance required in Paragraph (2) of this Subsection.~~

13 (2) The division shall promulgate guidance for the administration of the  
14 program. The guidance shall include application requirements, **application period**  
15 **dates and** deadlines for ~~application~~ submissions and approval, criteria for ratings,  
16 and a process for **ensuring funding for small water and sewer systems and**  
17 prioritizing critical infrastructure needs. The Administrative Procedure Act, R.S.  
18 49:950 et seq., shall not apply to guidance promulgated pursuant to this Section. ~~No~~  
19 ~~later than July 15, 2021, the~~ **The** division shall submit the proposed guidance to the  
20 commission for review and approval. Any changes to the guidance shall require  
21 approval by the commission.

22 **(2) Prior to the application period, the division shall conduct outreach**  
23 **and educational efforts for all water and sewer systems to raise awareness**  
24 **regarding the program.**

25 **(3) The division shall post on its website a copy of the guidance**  
26 **promulgated pursuant to this Section as well as any additional information**  
27 **regarding the program, including the application process, procurement, or**  
28 **scoring criteria upon request of the commission.**

29 E. In addition to the guidance provided for in Subsection D of this Section,

1 the division shall submit a proposal outlining administrative costs for the program  
 2 to the commission for review and approval prior to implementing the program ~~no~~  
 3 ~~later than July 15, 2021~~. The commission shall review the proposed administrative  
 4 costs and make a recommendation to the Joint Legislative Committee on the Budget  
 5 for funding for administrative costs. The committee shall review the  
 6 recommendations submitted by the commission and approve administrative costs for  
 7 the program.

8 \* \* \*

9 H. ~~The division shall begin accepting applications no later than August 1,~~  
 10 ~~2021. The applications~~ **Applications** shall include the following, at a minimum:

11 \* \* \*

12 I. ~~Within forty-five days of the end of the application period, the~~ **The** division  
 13 shall submit the working panel's ratings of proposed projects and recommendations  
 14 for funding for the projects to the commission. The working panel's  
 15 recommendations to the commission shall include recommendations for utilization  
 16 of existing funding sources including the Drinking Water Revolving Loan Fund,  
 17 Clean Water State Revolving Fund, and Community Water Enrichment and Other  
 18 Improvements Fund.

19 J. The commission shall review the ratings and recommendations submitted  
 20 by the working panel. The commission shall submit its recommendations for projects  
 21 to receive monies from the fund and funding amounts to the Joint Legislative  
 22 Committee on the Budget. The recommendations shall include:

23 **(1) Proposed** ~~proposed~~ matching funds, unless the commission recommends  
 24 a waiver of matching funds or decreased match for any project based on the  
 25 determination that the local governing authority or water system is unable to provide  
 26 the match.

27 **(2) Funding for small water and sewer systems as provided for in the**  
 28 **guidance.**

29 \* \* \*

1 Section 2. R.S. 39:100.56(H)(5), (O), and (P) are hereby repealed in their entirety.

2 Section 3. This Act shall become effective upon signature by the governor or, if not  
3 signed by the governor, upon expiration of the time for bills to become law without signature  
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
6 effective on the day following such approval.

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The original instrument was prepared by Curry Lann. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

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## DIGEST

SB 48 Engrossed

2022 Regular Session

Reese

Present law (R.S. 39:100.56) creates the Water Sector Program to provide grants for repairs, improvements, and consolidation of community water and sewer systems. Establishes the Water Sector Commission to review and approve applications submitted pursuant to the program and make recommendations to Joint Legislative Committee on the Budget (JLCB) for approval of funding.

Proposed law retains present law.

Present law requires the commission to hold its first meeting no later than June 30, 2021, and issue directives to the division to utilize in the development of the guidance at its first meeting.

Proposed law removes present law.

Present law requires the division to promulgate guidance for the administration of the program, including application requirements, deadlines for application submissions and approval, criteria for ratings, and a process and prioritizing critical infrastructure needs.

Proposed law adds application period dates to the guidance requirements and adds that a purpose of the guidance is to provide a process for ensuring funding for small water and sewer systems and otherwise retains present law.

Proposed law requires the division to conduct outreach and educational efforts for all water and sewer systems to raise awareness regarding the program.

Proposed law requires the division to post on its website a copy of the guidance as well as any additional information regarding the program, including the application process, procurement, or scoring criteria upon request of the commission.

Present law requires the division to submit the proposed guidance and a proposal outlining administrative costs for the program to the commission for review and approval no later than July 15, 2021.

Proposed law retains present law but removes the July 15, 2021, deadline.

Present law requires the division to begin accepting applications no later than August 1, 2021.

Proposed law removes present law.

Present law requires the division to submit the working panel's ratings and recommendations for funding to the commission within 45 days of the end of the application period.

Proposed law retains present law but removes the 45-day deadline.

Present law requires that applications include a certification from water system operators that funding from the American Rescue Plan Act of 2021 is being used as match or an explanation that precluded the use of those funds as match.

Proposed law repeals present law.

Present law requires the commission to review the ratings and recommendations submitted by the working panel, and shall submit its recommendations for projects to receive funding to the Joint Legislative Committee on the Budget (JLCB). The recommendations shall include proposed matching funds, unless the commission recommends a waiver of matching funds or decreased match for any project.

Proposed law retains present law but adds that the recommendations to the JLCB shall include funding for small water and sewer systems as provided for in the guidance.

Present law requires projects included in the Capital Outlay Act receive priority for funding and exempts those entities from submitting an additional application to be considered for a grant.

Proposed law repeals present law.

Present law authorizes the commission to make recommendations to the commissioner of administration regarding lines of credit on capital outlay projects.

Proposed law repeals present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:100.56(C), (D), (E), (H)(intro para), (I), and (J); repeals R.S. 39:100.56(H)(5), (O), and (P))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Removes provisions related to repairs and improvements necessitated by storm water.
2. Includes funding for small water and sewer systems as provided for in the guidance in the recommendations submitted by the commission to the Joint Legislative Committee on the Budget.
3. Technical amendments.