

Fiscal Estimate Narratives

DOA 2/21/2013

LRB Number 13-0941/2	Introduction Number AB-0013	Estimate Type Original
Description Methods of providing assistance under the Clean Water Fund Program and the Safe Drinking Water Loan Program and projects that are eligible for assistance under the Clean Water Fund Program		

Assumptions Used in Arriving at Fiscal Estimate

This bill enables the Department of Natural Resources (DNR) to award funds to eligible municipalities in the form of Principal Forgiveness, as required by the SFY 2013 Clean Water Fund Program and Safe Drinking Water Loan Program capitalization grant agreements. Principal Forgiveness has been required by Congress to provide additional financial assistance to municipalities making water infrastructure improvements. For SFY 2013, a minimum of seven (7) municipalities will receive up to \$500,000 in Principal Forgiveness for their Clean Water Fund Program projects and a minimum of thirteen (13) municipalities will receive up to \$500,000 in Principal Forgiveness for their Safe Drinking Water Loan Program projects. This constitutes a direct cost saving to those municipalities.

In addition to SFY 2013 projects, this bill enables the DNR to make future similar awards and to comply with other conditions if required by Congress and/or EPA as part of federal grant agreements.

AB 13 also enables DNR to have more flexibility in the types of projects that are eligible for Clean Water Fund Program loan funds so that municipalities can minimize costs by implementing cost-effective solutions for meeting effluent limits.

Long-Range Fiscal Implications

Unknown.