

HOUSE BILL No. 5860

September 13, 2016, Introduced by Reps. Hughes, Bizon, Crawford, Leutheuser, Sheppard and Zemke and referred to the Committee on Local Government.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 5401 and 5403 (MCL 324.5401 and 324.5403), as added by 1997 PA 26.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5401. As used in this part:

2 (a) "Act 399" means the safe drinking water act, 1976 PA 399,
3 MCL 325.101 to 325.1023.

4 (b) "Annual user costs" means an annual charge levied by a
5 water supplier on users of the waterworks system to pay for each
6 user's share of the cost for operation, maintenance, and
7 replacement of the waterworks system. These costs may also include
8 a charge to pay for the debt obligation.

1 (c) "Assistance" means 1 or more of the following activities
2 to the extent authorized by the federal safe drinking water act:

3 (i) Provision of loans for the planning, design, and
4 construction or alteration of waterworks systems.

5 **(ii) PROVISION OF LOANS FOR THE TOTAL OR PARTIAL REPLACEMENT**
6 **OF SERVICE LINES MADE IN WHOLE OR PART OF LEAD, GALVANIZED STEEL,**
7 **OR ANY OTHER MATERIAL THAT MAY POSE A HEALTH RISK TO INDIVIDUALS**
8 **WHO USE WATER SUPPLIED BY THE SERVICE LINES.**

9 **(iii)** ~~(ii)~~—Project refinancing assistance.

10 **(iv)** ~~(iii)~~—The guarantee or purchase of insurance for local
11 obligations, if the guarantee or purchase action would improve
12 credit market access or reduce interest rates.

13 **(v)** ~~(iv)~~—Use of the proceeds of the fund as a source of
14 revenue or security for the payment of principal and interest on
15 revenue or general obligation bonds issued by this state, if the
16 proceeds of the sale of the bonds will be deposited into the fund.

17 **(vi)** ~~(v)~~—Provision of loan guarantees for sub-state revolving
18 funds established by water suppliers that are municipalities.

19 **(vii)** ~~(vi)~~—The use of deposited funds to earn interest on fund
20 accounts.

21 **(viii)** ~~(vii)~~—Provision for reasonable costs of administering
22 and conducting activities under this part.

23 **(ix)** ~~(viii)~~—Provision of technical assistance under this part.

24 **(x)** ~~(ix)~~—Provision of loan forgiveness for certain planning
25 costs incurred by disadvantaged communities.

26 (d) "Authority" means the Michigan municipal bond authority
27 created in the shared credit rating act, 1985 PA 227, MCL 141.1051

1 to ~~141.1077.~~**141.1076.**

2 (e) "Capitalization grant" means the federal grant made to
3 this state by the United States ~~environmental protection agency,~~
4 **ENVIRONMENTAL PROTECTION AGENCY**, as provided in the federal safe
5 drinking water act.

6 (f) "Community water supply" means a public water supply that
7 provides year-round service to not less than 15 living units or
8 which regularly provides year-round service to not less than 25
9 residents.

10 (g) "Construction activities" means any actions undertaken in
11 the planning, designing, or building of a waterworks system.
12 Construction activities include, but are not limited to, all of the
13 following:

14 (i) Engineering services.

15 (ii) Legal services.

16 (iii) Financial services.

17 (iv) Preparation of plans and specifications.

18 (v) Acquisition of land or structural components, or both, if
19 the acquisition is integral to a project authorized by this part
20 and the purchase is from a willing seller at fair market value.

21 (vi) Building, erection, alteration, remodeling, or extension
22 of waterworks systems, providing the extension is not primarily for
23 the anticipation of future population growth.

24 (vii) Reasonable expenses of supervision of the project
25 activities described in subparagraphs (i) to (vi).

26 Sec. 5403. As used in this part:

27 (a) "Priority list" means the annual ranked listing of

1 projects developed by the department in section 5406.

2 (b) "Project" means ~~a~~ **ANY OF THE FOLLOWING:**

3 (i) A project related to the planning, design, and
4 construction or alteration of a waterworks system.

5 (ii) **THE TOTAL OR PARTIAL REPLACEMENT OF SERVICE LINES MADE IN**
6 **WHOLE OR PART OF LEAD, GALVANIZED STEEL, OR ANY OTHER MATERIAL THAT**
7 **MAY POSE A HEALTH RISK TO INDIVIDUALS WHO USE WATER SUPPLIED BY THE**
8 **SERVICE LINES.**

9 (c) "Project refinancing assistance" means buying or
10 refinancing the debt obligations of water suppliers if construction
11 activities commenced, and the debt obligation was incurred, after
12 ~~the effective date of this part.~~ **JUNE 17, 1997.**

13 (d) "Public water supply" means a waterworks system that
14 provides water for drinking or household purposes to persons other
15 than the supplier of the water, except for those waterworks systems
16 that supply water to only 1 house, apartment, or other domicile
17 occupied or intended to be occupied on a day-to-day basis by an
18 individual, family group, or equivalent.

19 (E) **"SERVICE LINE" MEANS A DIRECT PIPE FROM A DISTRIBUTION**
20 **WATER MAIN TO A LIVING UNIT OR OTHER SITE TO PROVIDE WATER FOR**
21 **DRINKING OR HOUSEHOLD PURPOSES.**

22 (F) ~~(e)~~ "State drinking water standards" means rules
23 promulgated under Act 399 that establish water quality standards
24 necessary to protect public health or that establish treatment
25 techniques to meet these water quality standards.

26 (G) ~~(f)~~ "Water supplier" or "supplier" means a municipality or
27 its designated representative accepted by the director, a legal

1 business entity, or any other person who owns a public water
2 supply. However, water supplier does not include a water hauler.

3 **(H)** ~~(g)~~—"Waterworks system" or "system" means a system of
4 pipes and structures through which water is obtained or distributed
5 and includes any of the following that are actually used or
6 intended to be used for the purpose of furnishing water for
7 drinking or household purposes:

8 (i) Wells and well structures.

9 (ii) Intakes and cribs.

10 (iii) Pumping stations.

11 (iv) Treatment plants.

12 (v) Storage tanks.

13 (vi) Pipelines and appurtenances.

14 (vii) A combination of any of the items specified in this
15 subdivision.

16 Enacting section 1. This amendatory act takes effect 90 days
17 after the date it is enacted into law.