

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 444

INTRODUCER: Senator Montford

SUBJECT: Small Community Sewer Construction Assistance Act

DATE: February 17, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cochran</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
2.	<u>Howard</u>	<u>DeLoach</u>	<u>AGG</u>	Recommend: Favorable
3.	<u>Howard</u>	<u>Kynoch</u>	<u>AP</u>	Pre-meeting

I. Summary:

SB 444 expands grant eligibility to small disadvantaged communities in need of adequate sewer facilities. The bill amends the Small Community Sewer Construction Assistance Act (Act) to broaden the term “financially disadvantaged small community” to include counties and special districts that fall under the same population and per capita annual income parameters as currently required under the Act. Specifically, the bill includes only special districts whose public purpose includes water and sewer services, utility systems and services, or wastewater systems and services.

There is no fiscal impact to state funds.

The bill provides an effective date of July 1, 2016.

II. Present Situation:

The Department of Environmental Protection (DEP) administers grant funds under s. 403.1838, F.S., to assist financially disadvantaged small communities with their needs for adequate sewer facilities. A “financially disadvantaged small community” is defined in statute as a municipality that has a population of 10,000 or fewer, according to the last decennial census, and a per capita annual income less than the state per capita annual income as determined by the United States Department of Commerce.¹ Per rules adopted by the Environmental Regulation Commission,² the DEP may provide grants from funds specifically appropriated for this purpose to financially disadvantaged small communities for up to 100 percent of the costs of planning, designing, constructing, upgrading or replacing wastewater collection, transmission, treatment, disposal,

¹ Section 403.1838(2), F.S.

² Section 403.1838(3)(b), F.S. Under the statute, the Environmental Regulation Commission must implement rules that follow specific guidelines, such as requiring that projects are cost-effective, environmentally sound, and implementable.

and reuse facilities, including necessary legal and administrative expenses.³ The DEP must perform the overview of each grant, and may use up to 2 percent of the grant funds for administration costs.⁴

Small Community Wastewater Construction Grants Program

Projects eligible to receive funds must be associated with wastewater collection, transmission, treatment, or disposal facilities.⁵ This includes facilities to reuse reclaimed water from wastewater treatment plants.⁶ Stormwater projects are not eligible.⁷ Projects must compete with all other projects for funding, and a hearing is held each October to determine which projects are to be funded.⁸ The highest priority is given to projects that address the most serious risks to public health, are necessary to achieve compliance, or assist systems most in need based on an affordability index.⁹ Projects that eliminate failing septic tanks in areas where at least 10 percent of the septic tanks have failed in the last three years also receive higher priority.¹⁰ A partial match of local funds will be required.¹¹

III. Effect of Proposed Changes:

Section 1 amends s. 403.1838, F.S., to broaden the term “financially disadvantaged small community” to include counties and special districts with populations of 10,000 or fewer and a per capita annual income less than the state per capita annual income as determined by the United States Department of Commerce. For the purposes of the bill, the term “special districts” includes only those special districts whose public purpose is water and sewer services, utility system and services, or wastewater systems and services.

The DEP indicates that by expanding the eligibility requirements, two counties (Liberty and Lafayette), and six special districts (Big Ben Water Authority, Cedar Key Special Water and Sewer District, Immokalee Water and Sewer District, Eastpoint Water and Sewer District, Suwanee Water and Sewer District, and Taylor Coastal Water and Sewer District) will be eligible for future grants.

³ Section 403.1838(3)(a), F.S.

⁴ Sections 403.1838(c) and (d), F.S.

⁵ Florida Department of Environmental Protection, *Water Pollution Control State Revolving Fund Loan Program Small Community Wastewater Facilities Grants*, <http://www.dep.state.fl.us/water/wff/cwsrf/smalcwgp.htm> (last visited January 7, 2016).

⁶ *Id.*

⁷ *Id.*

⁸ Florida Department of Environmental Protection, *Small Community Wastewater Construction Grants Program Brochure*, available at <http://www.dep.state.fl.us/water/wff/cwsrf/docs/SCG-Brochure.pdf> (last visited January 7, 2016).

⁹ Florida Department of Environmental Protection, *Water Pollution Control State Revolving Fund Loan Program Small Community Wastewater Facilities Grants*, <http://www.dep.state.fl.us/water/wff/cwsrf/smalcwgp.htm> (last visited January 7, 2016).

¹⁰ Florida Department of Environmental Protection, *Small Community Wastewater Construction Grants Program Brochure*, available at <http://www.dep.state.fl.us/water/wff/cwsrf/docs/SCG-Brochure.pdf> (last visited January 7, 2016).

¹¹ Florida Department of Environmental Protection, *Water Pollution Control State Revolving Fund Loan Program Small Community Wastewater Facilities Grants*, <http://www.dep.state.fl.us/water/wff/cwsrf/smalcwgp.htm> (last visited January 7, 2016).

Section 2 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

SB 444 may provide a positive fiscal impact for those counties and special districts that are eligible for grant funding assistance under the Act. The Department of Environmental Protection (DEP) will limit the projects selected to match the amount of funding expected for the fiscal year, which it estimates to be between \$9 and \$10 million.

The DEP has requested \$21 million for small county wastewater treatment grants in their Fiscal Year 2016-2017 Legislative Budget Request.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 403.1838 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
