

Assembly Bill No. 30

CHAPTER 629

An act to amend Section 13477.6 of the Water Code, relating to water quality.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 30, Perea. Water quality.

Existing law, the Porter-Cologne Water Quality Control Act or the state act, establishes the State Water Pollution Control Revolving Fund program pursuant to which state and federal funds are continuously appropriated from the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for the construction of publicly owned treatment works by a municipality, the implementation of a management program, the development and implementation of a conservation and management plan, and other related purposes in accordance with the Federal Water Pollution Control Act and the state act. Existing law authorizes the board, until 2014, to assess a specified annual charge in connection with any financial assistance made pursuant to the revolving fund program in lieu of interest that otherwise would be charged and requires the proceeds generated from the imposition of that charge to be deposited in the State Water Pollution Control Revolving Fund Small Community Grant Fund or grant fund, along with any interest earned upon the moneys in the grant fund. Existing law provides that the charge remain unchanged until 2014, at which time it will terminate and be replaced by an identical interest rate, and prohibits the deposit of more than \$50,000,000 into the grant fund. Existing law authorizes the board to expend the moneys in the grant fund, upon appropriation by the Legislature, for grants for eligible projects under the revolving fund program that serve small communities, as defined.

This bill would eliminate the requirement that the charge remain unchanged until 2014 and instead would authorize the board to assess the charge without change unless the board makes a prescribed determination. This bill would require the board to replace the charge with an identical interest rate if the board ceases collecting the charge before the repayment is complete. This bill would eliminate the prohibition on the deposit of more than \$50,000,000 collected by the charge into the grant fund. This bill would require the board to expend moneys appropriated from the grant fund within a period of 4 years from the date of encumbrance.

The people of the State of California do enact as follows:

SECTION 1. Section 13477.6 of the Water Code is amended to read:

13477.6. (a) The State Water Pollution Control Revolving Fund Small Community Grant Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited in the grant fund:

(1) Moneys transferred to the grant fund pursuant to subdivision (c).

(2) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys deposited in the grant fund.

(c) (1) For any financing made pursuant to Section 13480, the board may assess an annual charge to be deposited in the grant fund in lieu of interest that would otherwise be charged.

(2) The charge authorized by this subdivision may be applied at any time during the term of the financing, and once applied, shall remain unchanged unless the board determines that the application of the charge is any of the following:

(A) No longer consistent with federal requirements regarding the fund.

(B) No longer necessary.

(C) Negatively affecting the board's ability to fund projects that supports its water quality goals.

(3) The charge shall not increase the financing repayment amount as set forth in the terms and conditions imposed pursuant to this chapter.

(4) If the board ceases collecting the charge before the financing repayment is complete, the board shall replace the charge with an identical interest rate.

(d) (1) Moneys in the grant fund, upon appropriation by the Legislature to the board, may be expended, in accordance with this chapter, for grants for projects described in subdivision (a) of Section 13480 and subdivision (a) of Section 35.3115 of Title 40 of the Code of Federal Regulations that serve small communities as defined in subdivision (a) of Section 30925 of the Public Resources Code. The board shall expend moneys appropriated from the grant fund within a period of four years from the date of encumbrance.

(2) For the purpose of approving grants, the board shall give priority to projects that serve severely disadvantaged communities.