

ASSEMBLY BILL

No. 21

**Introduced by Assembly Member Alejo
(Coauthor: Assembly Member Perea)**

December 3, 2012

An act to add Section 116760.46 to the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 21, as introduced, Alejo. Safe Drinking Water Small Community Grant Fund.

Existing law establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria to be met for projects to be eligible for consideration for this funding.

This bill would authorize the department to assess a specified annual charge in connection with loans for water projects made pursuant to the Safe Drinking Water Small Community Grant Fund, which the bill would create in the State Treasury. The bill would require the proceeds generated from the imposition of the annual charge, along with other moneys, to be deposited in the grant fund. The bill would authorize the department to expend the money, upon appropriation of the Legislature, for grants for specified water projects that serve disadvantaged and severely disadvantaged communities.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 116760.46 is added to the Health and
2 Safety Code, to read:
3 116760.46. (a) The Safe Drinking Water Small Community
4 Grant Fund is hereby created in the State Treasury.
5 (b) The following moneys shall be deposited in the grant fund:
6 (1) Moneys transferred to the grant fund pursuant to subdivision
7 (c).
8 (2) Notwithstanding Section 16475 of the Government Code,
9 any interest earned upon the moneys deposited in the grant fund.
10 (c) (1) For any loans made for projects meeting the eligibility
11 criteria under Section 116760.50, the department may assess an
12 annual charge to be deposited in the grant fund in lieu of interest
13 that would otherwise be charged.
14 (2) Any amounts collected under this subdivision shall be
15 deposited in the grant fund.
16 (3) The charge authorized by this subdivision may be applied
17 at any time during the term of the financing and, once applied,
18 shall remain unchanged.
19 (d) (1) Moneys in the grant fund, upon appropriation of the
20 Legislature, may be expended, in accordance with this chapter,
21 for grants for projects described in Sections 116475 and 116760.50
22 and that serve disadvantaged and severely disadvantaged
23 communities. Grant authorization shall include drinking water
24 systems between 2 and 14 connections in unincorporated areas
25 and wellhead protection and repair.
26 (2) For the purpose of approving grants, the department shall
27 give equal priority to projects that serve severely disadvantaged
28 communities.

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