

STATEMENT OF PURPOSE

RS22408

The purpose of this legislation is to amend state revolving fund provisions to allow fund transfers between drinking water and wastewater loan accounts so all funds may be put to immediate use by the state. The Department of Environmental Quality (DEQ) allocates low interest loans from two revolving loan funds - one dedicated to drinking water systems and one dedicated to wastewater systems. Historically, there has been much greater demand for loans from the wastewater fund than from the drinking water fund. Over the past two years, the drinking water fund has been underutilized, leaving money unallocated after all requests have been funded while wastewater loan requests exceed funding availability. This legislation adds language to Idaho Code 39-3626, 39-3629, and 39-7603 that will allow the Board of Environmental Quality, through DEQ, the flexibility to transfer funds between the two loan accounts. This is a federally approved practice that several other states have already begun utilizing.

FISCAL NOTE

A net economic gain is expected for the state by maximizing state revolving fund implementation and making more resources available to communities.

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