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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4466 (as reported without amendment)  
Sponsor: Representative Jon Jellema  
House Committee: Conservation, Environment and Recreation  
Senate Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would amend the Shared Credit Rating Act to require the Michigan Municipal Bond Authority to establish a State Drinking Water Revolving Fund that complied with the requirements and objectives of the Federal Safe Drinking Water Act. The Authority could fund the Revolving Fund through Federal grants, revenues of the Authority, or any other means permitted under the Federal Act. The Authority could provide assistance to a governmental unit for a community water supply or noncommunity water supply with proceeds of the Revolving Fund.

The Shared Credit Rating Act provides that, except for bonds or notes issued pursuant to the State Water Pollution Control Revolving Fund, the Authority may not issue new bonds or notes after December 31, 2000, to make loans to governmental units. The bill also would make an exception for bonds or notes issued pursuant to the State Drinking Water Revolving Fund.

The bill is tie-barred to House Bill 4465, which would add Part 54 (Safe Drinking Water Assistance) to the Natural Resources and Environmental Protection Act.

MCL 141.1051 et al.

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

House Bills 4465 and 4466 would establish the Drinking Water Revolving Fund and State drinking water program parameters to allow the receipt of between \$25 million and \$35 million in additional Federal funds. The State would provide a match of approximately \$7.5 million in General Fund money, which is currently included in Senate Bill 167, the FY 1997-98 DEQ budget under consideration in the House of Representatives.

Date Completed: 5-22-97

Fiscal Analyst: G. Cutler

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