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(Original Signature of Member)

114TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To establish a trust fund to provide for adequate funding for water and sewer infrastructure.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. CONYERS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To establish a trust fund to provide for adequate funding for water and sewer infrastructure.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Water Affordability, Transparency, Equity, and Reli-  
6 ability Act of 2016”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Water Affordability, Transparency, Equity, and Reliability Trust Fund.

- Sec. 3. Report on affordability, discrimination and civil rights violations, public participation in regionalization, and data collection.
- Sec. 4. Technical assistance to rural and small municipalities and tribal governments.
- Sec. 5. Residential onsite sewage disposal system improvement.
- Sec. 6. State water pollution control revolving funds.
- Sec. 7. Use of state revolving loan funds under the Safe Drinking Water Act.
- Sec. 8. Drinking water grant programs.

1 **SEC. 2. WATER AFFORDABILITY, TRANSPARENCY, EQUITY,**  
2 **AND RELIABILITY TRUST FUND.**

3 (a) ESTABLISHMENT.—

4 (1) IN GENERAL.—Subchapter A of chapter 98  
5 of the Internal Revenue Code of 1986 is amended by  
6 adding at the end the following:

7 **“SEC. 9512. WATER AFFORDABILITY, TRANSPARENCY, EQ-**  
8 **UITY, AND RELIABILITY TRUST FUND.**

9 “(a) CREATION OF TRUST FUND.—There is estab-  
10 lished in the Treasury of the United States a trust fund  
11 to be known as the ‘Water Affordability, Transparency,  
12 Equity, and Reliability Trust Fund’ (referred to in this  
13 section as the ‘Trust Fund’), consisting of such amounts  
14 as may be appropriated or credited to such Trust Fund  
15 as provided in this section or section 9602(b).

16 “(b) TRANSFERS TO FUND.—

17 “(1) IN GENERAL.—There are hereby appro-  
18 priated to the Trust Fund such amounts as the Sec-  
19 retary from time to time estimates are equal to the  
20 increase in Federal revenues attributable to the ap-  
21 plication of section 952(e).

1           “(2) LIMITATION.—The sum of the amounts  
2           appropriated under paragraph (1) during any fiscal  
3           year shall not exceed \$34,850,000,000.

4           “(c) EXPENDITURES.—Amounts in the Trust Fund  
5           are available, without further appropriation and without  
6           fiscal year limitation, for the purposes described in section  
7           2(c) of the Water Affordability, Transparency, Equity,  
8           and Reliability Act of 2016.”.

9           (2) CLERICAL AMENDMENT.—The table of  
10          parts for subchapter A of chapter 98 of such Code  
11          is amended by inserting after the item relating to  
12          section 9511 the following new item:

          “Sec. 9512. Water Affordability, Transparency, Equity, and Reliability Trust  
          Fund.”.

13          (b) IMPOSITION OF TAX.—

14               (1) IN GENERAL.—Section 952 of the Internal  
15               Revenue Code of 1986 is amended by adding at the  
16               end the following:

17               “(e) SPECIAL APPLICATION OF SUBPART.—

18                       “(1) IN GENERAL.—Notwithstanding any other  
19                       provision of this subpart, the term ‘subpart F in-  
20                       come’ means, in the case of any controlled foreign  
21                       corporation, the income of such corporation derived  
22                       from any foreign country.

1           “(2) APPLICABLE RULES.—Rules similar to the  
2 rules under the last sentence of subsection (a) and  
3 subsection (d) shall apply to this subsection.”.

4           (2) EFFECTIVE DATE.—The amendment made  
5 by this subsection shall apply to taxable years of for-  
6 eign corporations beginning after the date of the en-  
7 actment of this Act, and to taxable years of United  
8 States shareholders with or within which such tax-  
9 able years of foreign corporations end.

10          (c) ALLOCATION OF FUNDS.—The Administrator of  
11 the Environmental Protection Agency shall allocate, for a  
12 fiscal year, the funds available, at the beginning of such  
13 fiscal year, in the Water Affordability, Transparency, Eq-  
14 uity, and Reliability Trust Fund, established by section  
15 9512 of the Internal Revenue Code of 1986, as follows:

16           (1) CLEAN WATER PROGRAMS.—Of such  
17 amount, the Administrator shall make available—

18                   (A) 0.5 percent for making grants under  
19 section 104(b)(8) of the Federal Water Pollu-  
20 tion Control Act;

21                   (B) 1.5 percent for making grants under  
22 section 106 of such Act (33 U.S.C. 1256);

23                   (C) 2.5 percent for making grants under  
24 section 222 of such Act;

1 (D) 2.5 percent for making grants under  
2 section 319 of such Act (33 U.S.C. 1329); and

3 (E) 45 percent for making capitalization  
4 grants under section 601 of such Act (33  
5 U.S.C. 1381).

6 (2) SAFE DRINKING WATER FUNDING.—Of such  
7 amount, the Administrator shall make available—

8 (A) 0.5 percent for providing technical as-  
9 sistance under section 1442(e) of the Safe  
10 Drinking Water Act (42 U.S.C. 300j–1(e));

11 (B) 44.5 percent for making capitalization  
12 grants under section 1452 of such Act (42  
13 U.S.C. 300j–12); and

14 (C) 3 percent for making grants under sec-  
15 tion 1465 of such Act.

16 **SEC. 3. REPORT ON AFFORDABILITY, DISCRIMINATION AND**  
17 **CIVIL RIGHTS VIOLATIONS, PUBLIC PARTICI-**  
18 **PATION IN REGIONALIZATION, AND DATA**  
19 **COLLECTION.**

20 (a) STUDY.—

21 (1) IN GENERAL.—The Administrator of the  
22 Environmental Protection Agency shall conduct a  
23 study on water and sewer services, in accordance  
24 with this subsection.

1           (2) AFFORDABILITY.—In conducting the study  
2           under paragraph (1), the Administrator shall study  
3           water affordability nationwide, including—

4                   (A) rates for water and sewer services, in-  
5                   creases in such rates during the ten-year period  
6                   preceding such study, and water service dis-  
7                   connections due to unpaid water service  
8                   charges; and

9                   (B) the effectiveness of funding under sec-  
10                  tion 1452 of the Safe Drinking Water Act and  
11                  under section 601 of the Federal Water Pollu-  
12                  tion Control Act for promoting affordable, equi-  
13                  table, transparent, and reliable water and sewer  
14                  service.

15          (3) DISCRIMINATION AND CIVIL RIGHTS.—In  
16          conducting the study under paragraph (1), the Ad-  
17          ministrator, in collaboration with the Civil Rights  
18          Division of the United States Department of Justice,  
19          shall study—

20                   (A) discriminatory practices of water and  
21                   sewer service providers; and

22                   (B) violations by such service providers  
23                   that receive Federal assistance of civil rights  
24                   under title VI of the Civil Rights Act of 1964

1 with regard to equal access to water and sewer  
2 services.

3 (4) PUBLIC PARTICIPATION IN REGIONALIZA-  
4 TION.—In conducting the study under paragraph  
5 (1), the Administrator shall evaluate efforts to re-  
6 gionalize public water systems, as defined in section  
7 1401 of the Safe Water Drinking Act, and sewer  
8 services with respect to public participation in—

9 (A) the decision to undergo such regional-  
10 ization; and

11 (B) decision-making by the board of direc-  
12 tors (or other governing body) of the entity that  
13 provides, or oversees or coordinates the provi-  
14 sion of, water by the public water systems sub-  
15 ject to such regionalization.

16 (5) DATA COLLECTION.—In conducting the  
17 study under paragraph (1), the Administrator shall  
18 collect information, assess the availability of infor-  
19 mation, and evaluate the methodologies used to col-  
20 lect information, related to—

21 (A) people living without water or sewer  
22 services;

23 (B) water service disconnections due to un-  
24 paid water service charges, including disconnec-  
25 tions experienced by households containing chil-

1           dren, elderly persons, disabled persons, chron-  
2           ically ill persons, or other vulnerable popu-  
3           lations; and

4                   (C) disparate effects, on the basis of race,  
5           gender, or socioeconomic status, of water serv-  
6           ice disconnections and the lack of public water  
7           service.

8           (b) REPORT.—Not later than 1 year after the date  
9           of the enactment of this Act, the Administrator of the En-  
10          vironmental Protection Agency shall submit to Congress  
11          a report that contains—

12                   (1) the results of the study conducted under  
13          subsection (a)(1); and

14                   (2) recommendations for utility companies,  
15          Federal agencies, and States relating to such results.

16          **SEC. 4. TECHNICAL ASSISTANCE TO RURAL AND SMALL**  
17                                   **MUNICIPALITIES AND TRIBAL GOVERN-**  
18                                   **MENTS.**

19          Section 104(b) of the Federal Water Pollution Con-  
20          trol Act (33 U.S.C. 1254(b)) is amended—

21                   (1) in paragraph (6), by striking “and” at the  
22          end;

23                   (2) in paragraph (7), by striking the period at  
24          the end and inserting “; and”; and

25                   (3) by adding at the end the following:



1           “(8) make grants to nonprofit organizations  
2           to—

3                   “(A) provide technical assistance to rural  
4                   and small municipalities and tribal governments  
5                   for the purpose of assisting, in consultation  
6                   with the State in which the assistance is pro-  
7                   vided, such municipalities and governments in  
8                   the planning, development, and acquisition of fi-  
9                   nancing for projects and activities eligible for  
10                  assistance under section 603(c);

11                  “(B) provide technical assistance and  
12                  training to rural and small municipalities and  
13                  tribal governments responsible for publicly  
14                  owned treatment works and decentralized  
15                  wastewater treatment systems for the purpose  
16                  of enabling such works and systems to protect  
17                  water quality and achieve and maintain compli-  
18                  ance with the requirements of this Act; and

19                  “(C) disseminate information to rural and  
20                  small municipalities, tribal governments, and  
21                  municipalities that meet the affordability cri-  
22                  teria established under section 603(i)(2) by the  
23                  State in which the municipality is located, that  
24                  pertains to the planning, design, construction,  
25                  and operation of publicly owned treatment

1 works and decentralized wastewater treatment  
2 systems.”.

3 **SEC. 5. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEM**  
4 **IMPROVEMENT.**

5 Title II of the Federal Water Pollution Control Act  
6 (33 U.S.C. 1281 et seq.) is amended by adding at the end  
7 the following:

8 **“SEC. 222. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYS-**  
9 **TEMS.**

10 “Not later than the date that is 1 year after the date  
11 of the enactment of this section, the Administrator shall  
12 establish a grant program to make grants to users of a  
13 septic tank and drainage field for costs associated with  
14 repairing, replacing, or upgrading such tank and such  
15 field.”.

16 **SEC. 6. STATE WATER POLLUTION CONTROL REVOLVING**  
17 **FUNDS.**

18 (a) SPECIFIC REQUIREMENTS.—Section 602(b) of  
19 the Federal Water Pollution Control Act (33 U.S.C.  
20 1382(b)) is amended—

21 (1) in paragraph (13), by striking “and” at the  
22 end;

23 (2) in paragraph (14), by striking the period at  
24 the end and inserting a semicolon; and

25 (3) by adding at the end the following:

1           “(15) the State will not provide financial assist-  
2           ance using amounts from the fund for any project  
3           that will provide substantial direct benefits to new  
4           communities, lots, or subdivisions, other than a  
5           project to construct an advanced decentralized  
6           wastewater system; and

7           “(16) the requirements of section 513 will apply  
8           to the construction of treatment works carried out in  
9           whole or in part with assistance made available by  
10          a State water pollution control revolving fund as au-  
11          thorized under this title, or with assistance made  
12          available under section 205(m), or both, in the same  
13          manner as treatment works for which grants are  
14          made under this Act.”.

15          (b) PROJECTS AND ACTIVITIES ELIGIBLE FOR AS-  
16          SISTANCE.—Section 603(c) of the Federal Water Pollution  
17          Control Act (33 U.S.C. 1383(c)) is amended—

18                 (1) in paragraph (10), by striking “and” at the  
19                 end;

20                 (2) in paragraph (11)(B), by striking the period  
21                 at the end and inserting “; and”; and

22                 (3) by adding at the end the following:

23                         “(12) to any municipality or intermunicipal,  
24                         interstate, or State agency for—

1                   “(A) purchasing from a willing or unwill-  
2                   ing seller a privately owned treatment works;  
3                   and

4                   “(B) expenses related to canceling a con-  
5                   tract for the operation or management of a  
6                   publicly owned treatment works.”.

7           (c) INCREASING THE LIMIT OF ADDITIONAL SUB-  
8           SIDIZATION BY THE STATE.—Section 603(i)(3)(B) of the  
9           Federal Water Pollution Control Act (33 U.S.C.  
10           1383(i)(3)(B)) is amended to read as follows:

11                         “(B) ADDITIONAL LIMITATION.—A State  
12                         may use not more than 50 percent of the total  
13                         amount received by the State in capitalization  
14                         grants under this title for a fiscal year for pro-  
15                         viding additional subsidization under this sub-  
16                         section.”.

17           **SEC. 7. USE OF STATE REVOLVING LOAN FUNDS UNDER**  
18                                 **THE SAFE DRINKING WATER ACT.**

19           Section 1452 of the Safe Drinking Water Act (42  
20           U.S.C. 300j-12) is amended—

21                         (1) in subsection (a)—

22                                 (A) in paragraph (2)—

23   (i) by inserting “publicly owned, oper-  
24   ated, and managed” before “community  
25   water systems”; and

1                   (ii) by striking “The funds shall not  
2                   be used for the acquisition of real property  
3                   or interests therein, unless the acquisition  
4                   is integral to a project authorized by this  
5                   paragraph and the purchase is from a will-  
6                   ing seller.” and inserting “The funds may  
7                   also be used for purchasing from a willing  
8                   or unwilling seller a privately owned com-  
9                   munity water system, or for the expenses  
10                  related to canceling a contract for the op-  
11                  eration or management of a community  
12                  water system.”; and

13                  (B) by adding at the end the following new  
14                  paragraph:

15                  “(4) EXCEPTION TO PUBLIC OWNERSHIP, OPER-  
16                  ATION, AND MANAGEMENT REQUIREMENT.—Not-  
17                  withstanding the first sentence of paragraph (2),  
18                  public water systems which regularly serve fewer  
19                  than 10,000 persons and which are not owned, oper-  
20                  ated, or managed by any person which owns, oper-  
21                  ates, or manages any other public water system may  
22                  receive assistance under this section.”;

23                  (2) in subsection (d)(2), by striking “30 per-  
24                  cent” and inserting “50 percent”;

25                  (3) in subsection (g)(3)—

1 (A) in paragraph (B), by striking “and” at  
2 the end;

3 (B) in paragraph (C), by striking the pe-  
4 riod at the end and inserting “; and”; and

5 (C) by inserting after subparagraph (C)  
6 the following:

7 “(D) guidance to ensure affordable, equi-  
8 table, transparent and reliable water and sewer  
9 service provision, to provide protections for  
10 households facing service disconnection due to  
11 unpaid water service charges, and to promote  
12 universal equal access to water and sewer serv-  
13 ices.”; and

14 (4) in subsection (k)(1), by adding at the end  
15 the following:

16 “(E) Provide assistance in the form of a  
17 grant to owners of private properties for the  
18 purpose of replacing lead service lines, as de-  
19 fined in section 141.2 of title 40, Code of Fed-  
20 eral Regulations, with service lines that are  
21 lead-free, as defined in section 1417(d).”.

22 **SEC. 8. DRINKING WATER GRANT PROGRAMS.**

23 (a) SCHOOL DRINKING WATER IMPROVEMENT.—  
24 Section 1465 of the Safe Drinking Water Act (42 U.S.C.  
25 300j-24) is amended to read as follows:

1 **“SEC. 1465. FEDERAL ASSISTANCE.**

2 “Not later than the date that is 1 year after the date  
3 of the enactment of this section, the Administrator shall  
4 establish a grant program to make grants to local edu-  
5 cational agencies for costs associated with—

6 “(1) installing, repairing, or replacing the infra-  
7 structure necessary for drinking water coolers,  
8 drinking water fountains, or bottle filling stations;  
9 and

10 “(2) testing the quality of drinking water at  
11 schools in such local education agency.”.

12 (b) TRIBAL DRINKING WATER.—Section 1452(i)(1)  
13 of the Safe Drinking Water Act (42 U.S.C. 300j–12(i)(1))  
14 is amended—

15 (1) by striking “1 1/2” and inserting “Three”;  
16 and

17 (2) by striking “may” and inserting “shall”.