



## 2025 SENATE BILL 56

February 21, 2025 - Introduced by Senators QUINN and TOMCZYK, cosponsored by Representatives GREEN, ARMSTRONG, BEHNKE, MURSAU, O'CONNOR, TUCKER and TUSLER. Referred to Committee on Utilities and Tourism.

- 1     **AN ACT** *to amend* 281.61 (2r) (e) of the statutes; **relating to:** the use of federal  
2     capitalization grant funds for lead service line replacement.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Department of Administration and the Department of Natural Resources administer the safe drinking water loan program (SDWLP), which provides financial assistance from the environmental improvement program to local governmental units and to the private owners of community water systems that serve local governmental units for projects for the planning, designing, construction, or modification of public water systems. DNR establishes a funding list for SDWLP projects, and DOA allocates funding for those projects.

Current law specifies several allowable methods of providing financial assistance under the SDWLP, one of which is using funds received as federal capitalization grants. There is, however, a prohibition on using those funds to provide principal forgiveness to a private owner of a community water system. This bill provides that this prohibition does not apply to the use of federal capitalization grants for forgiveness of loans for the replacement of lead service lines.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SENATE BILL 56****SECTION 1**

**SECTION 1.** 281.61 (2r) (e) of the statutes is amended to read:

281.61 (**2r**) (e) Using funds received as federal capitalization grants under 42 USC 300j-12, any other method that is consistent with the federal program for safe drinking water state loan funds under 42 USC 300j-12 or any other federal law providing funding for or otherwise relating to that program, except that funds received as federal capitalization grants may not be used to provide principal forgiveness, other than forgiveness of loans for the replacement of lead service lines, to a private owner of a community water system.

(END)