116TH CONGRESS  
1ST SESSION  

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Mrs. LAWRENCE 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, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Water Affordability, Transparency, Equity, and Reliability Act of 2019”.

(b) Table of Contents.—The table of contents for 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. Household water well systems.
Sec. 7. State water pollution control revolving funds.
Sec. 8. Use of State revolving loan funds under the Safe Drinking Water Act.
Sec. 9. Drinking water grant programs.
Sec. 10. Requirement for the use of American materials in drinking water.
Sec. 11. Labor provisions.

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

(a) Establishment.—

(1) In general.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“SEC. 9512. WATER AFFORDABILITY, TRANSPARENCY, EQUITY, AND RELIABILITY TRUST FUND.

“(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘Water Affordability, Transparency, Equity, and Reliability Trust Fund’ (referred to in this section as the ‘Trust Fund’), consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

“(b) Transfers to Fund.—

“(1) In general.—There are hereby appropriated to the Trust Fund such amounts as the Secretary from time to time estimates are equal to the increase in Federal revenues attributable to the
amendment made by section 2(b) of the Water Affordability, Transparency, Equity, and Reliability Act of 2019.

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

“(c) EXPENDITURES.—Amounts in the Trust Fund are available, without further appropriation and without fiscal year limitation, for the purposes described in section 2(c) of the Water Affordability, Transparency, Equity, and Reliability Act of 2019.”.

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

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

(b) IMPOSITION OF TAX.—

(1) IN GENERAL.—Section 11(b) of the Internal Revenue Code of 1986 is amended by striking “21” and inserting “24.5”.

(2) EFFECTIVE DATE.—The amendments made by this Act shall take apply to taxable years beginning after December 31, 2018.

(c) ALLOCATION OF FUNDS.—The Administrator of the Environmental Protection Agency and the Secretary
of Agriculture shall allocate, for a fiscal year, the funds available, at the beginning of such fiscal year, in the Water Affordability, Transparency, Equity, and Reliability Trust Fund, established by section 9512 of the Internal Revenue Code of 1986, as follows:

(1) **Clean Water Programs.**—Of such amount, the Administrator shall make available—

   (A) 0.5 percent for making grants under section 104(b)(8) of the Federal Water Pollution Control Act;

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

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

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

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

(2) **Safe Drinking Water Funding.**—Of such amount, the Administrator shall make available—

   (A) 0.5 percent for providing technical assistance under section 1442(e) of the Safe Drinking Water Act (42 U.S.C. 300j–1(e));
(B) 43.5 percent for making capitalization grants under section 1452 of such Act (42 U.S.C. 300j–12); and

(C) 3 percent for making grants under section 1465 of such Act.

(3) HOUSEHOLD WATER WELL SYSTEMS.—Of such amount, the Secretary shall make available 1 percent for making grants under section 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e).

SEC. 3. REPORT ON AFFORDABILITY, DISCRIMINATION AND CIVIL RIGHTS VIOLATIONS, PUBLIC PARTICIPATION IN REGIONALIZATION, AND DATA COLLECTION.

(a) STUDY.—

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

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

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

(B) the effectiveness of funding under section 1452 of the Safe Drinking Water Act and under section 601 of the Federal Water Pollution Control Act for promoting affordable, equitable, transparent, and reliable water and sewer service.

(3) DISCRIMINATION AND CIVIL RIGHTS.—In conducting the study under paragraph (1), the Administrator, in collaboration with the Civil Rights Division of the United States Department of Justice, shall study—

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

(B) violations by such service providers that receive Federal assistance of civil rights under title VI of the Civil Rights Act of 1964 with regard to equal access to water and sewer services.

(4) PUBLIC PARTICIPATION IN REGIONALIZATION.—In conducting the study under paragraph (1), the Administrator shall evaluate efforts to regionalize public water systems, as defined in section
1401 of the Safe Water Drinking Act, and sewer services with respect to public participation in—

(A) the decision to undergo such regionalization; and

(B) decisionmaking by the board of directors (or other governing body) of the entity that provides, or oversees or coordinates the provision of, water by the public water systems subject to such regionalization.

(5) DATA COLLECTION.—In conducting the study under paragraph (1), the Administrator shall collect information, assess the availability of information, and evaluate the methodologies used to collect information, related to—

(A) people living without water or sewer services;

(B) water service disconnections due to unpaid water service charges, including disconnections experienced by households containing children, elderly persons, disabled persons, chronically ill persons, or other vulnerable populations; and

(C) disparate effects, on the basis of race, gender, or socioeconomic status, of water serv-
(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall submit to Congress a report that contains—

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

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

SEC. 4. TECHNICAL ASSISTANCE TO RURAL AND SMALL MUNICIPALITIES AND TRIBAL GOVERNMENTS.

Section 104(u) of the Federal Water Pollution Control Act (33 U.S.C. 1254(u)) is amended by striking “not to exceed $25,000,000” and inserting “$175,000,000”.

SEC. 5. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEM IMPROVEMENT.

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

“SEC. 222. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEMS.

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

SEC. 6. HOUSEHOLD WATER WELL SYSTEMS.

Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking “$20,000,000 for each of fiscal years 2019 through 2023” and inserting “$348,500,000 for each fiscal year”.

SEC. 7. STATE WATER POLLUTION CONTROL REVOLVING FUNDS.

(a) Specific Requirements.—Section 602(b) of the Federal Water Pollution Control Act (33 U.S.C. 1382(b)) is amended—

(1) in paragraph (2), by striking “will be made to the State with funds to be made available” and inserting “were made to the State with funds made available for fiscal year 2019”;

(2) in paragraph (13), by striking “and” at the end;

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

(4) by adding at the end the following:
“(15) the State will not provide financial assistance using amounts from the fund for any project that will provide substantial direct benefits to new communities, lots, or subdivisions, other than a project to construct an advanced decentralized wastewater system; and”.

(b) PROJECTS AND ACTIVITIES ELIGIBLE FOR ASSISTANCE.—Section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) is amended—

(1) in paragraph (11)(B), by striking “and” at the end;

(2) in paragraph (12)(B), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(13) to any municipality or intermunicipal, interstate, or State agency for—

“(A) purchasing from a willing or unwilling seller a privately owned treatment works; and

“(B) expenses related to canceling a contract for the operation or management of a publicly owned treatment works.”.

(c) INCREASING THE AMOUNT OF ADDITIONAL SUBSIDIZATION BY THE STATE.—Section 603(i)(3)(B) of the
Federal Water Pollution Control Act (33 U.S.C. 1383(i)(3)(B)) is amended to read as follows:

“(B) ADDITIONAL LIMITATION.—A State may use not less than 50 percent of the total amount received by the State in capitalization grants under this title for a fiscal year for providing additional subsidization under this subsection.”.

SEC. 8. USE OF STATE REVOLVING LOAN FUNDS UNDER THE SAFE DRINKING WATER ACT.

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

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (A), by inserting “publicly owned, operated, and managed” before “community water systems”; and

(ii) in subparagraph (E), by striking “The funds under this section shall not be used for the acquisition of real property or interests therein, unless the acquisition is integral to a project authorized by this paragraph and the purchase is from a willing seller.” and inserting “The funds may also be used for purchasing from a willing
or unwilling seller a privately owned community water system, or for the expenses related to canceling a contract for the operation or management of a community water system.”; and

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

“(6) EXCEPTION TO PUBLIC OWNERSHIP, OPERATION, AND MANAGEMENT REQUIREMENT.—Notwithstanding paragraph (2)(A), public water systems that regularly serve fewer than 10,000 persons, and which are not owned, operated, or managed by any person who owns, operates, or manages any other public water system, may receive assistance under this section.”;

(2) by amending subsection (d)(2) to read as follows:

“(2) TOTAL AMOUNT OF SUBSIDIES.—To the extent that there are sufficient applications for loans to communities described in paragraph (1), of the amount of the capitalization grant received by a State in a fiscal year, the total amount of loan subsidies made by the State in the fiscal year pursuant to paragraph (1) may not be less than 50 percent.”.
(3) in subsection (e), by striking “to be made to the State” and inserting “that was made to the State in fiscal year 2019”;

(4) in subsection (g)(3)—

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

(B) in paragraph (C), by striking the period at the end and inserting “; and”; and

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

“(D) guidance to ensure affordable, equitable, transparent and reliable water service provision, to provide protections for households facing service disconnection due to unpaid water service charges, and to promote universal equal access to water services.”; and

(5) in subsection (k)(1), by adding at the end the following:

“(E) Provide assistance in the form of a grant to owners of private property on which a lead service line (as defined in section 1459B) is or may be located, for the purpose of replacing the lead service line with a service line that is lead-free (as defined in section 1417(d)).
“(F) Provide assistance to a publicly owned, operated, and managed community water system for the purpose of updating treatment plants or switching water sources due to contamination from per- and polyfluoroalkyl substances (PFAS) (as defined by the State in which the community water system is located).

“(G) Provide assistance in the form of a grant to owners of a household water well has been contaminated by per- and polyfluoroalkyl substances (PFAS) (as defined by the State in which the household well is located), for the purpose of purchasing and installing a household filtration system.”.

SEC. 9. DRINKING WATER GRANT PROGRAMS.

(a) SCHOOL DRINKING WATER IMPROVEMENT.—

Section 1465 of the Safe Drinking Water Act (42 U.S.C. 300j–25) is amended—

(1) in the section header, by striking “FOUNTAIN” and inserting “INFRASTRUCTURE”;

(2) in subsection (a), by striking “fountains manufactured prior to 1988” and inserting “infrastructure”;

(3) by amending subsection (b) to read as follows:
“(b) USE OF FUNDS.—Funds awarded under the
grant program may be used to pay costs associated with—
“(1) installing, repairing, or replacing the infra-
structure necessary to ensure that drinking water
fountains, drinking water coolers, and bottle filling
stations at schools are lead free; and
“(2) monitoring and reporting of lead levels in
the drinking water of schools, as determined appro-
priate by the Administrator.”; and
(4) in subsection (d)—
(A) by striking “$5,000,000” and inserting
“$1,050,000,000”; and
(B) by striking “2021” and inserting
“2022”.
(b) TRIBAL DRINKING WATER.—Section 1452(i)(1)
of the Safe Drinking Water Act (42 U.S.C. 300j–12(i)(1))
is amended, in the first sentence—
(1) by striking “1 1/2” and inserting “Three”; and
(2) by striking “may” and inserting “shall”.
SEC. 10. REQUIREMENT FOR THE USE OF AMERICAN MATE-
RIALS IN DRINKING WATER.
Section 1452(a)(4) of the Safe Drinking Water Act
(42 U.S.C. 300j–12(a)(4)) is amended by striking “Dur-
ing fiscal years 2019 through 2023, funds” and inserting “Funds”.

SEC. 11. LABOR PROVISIONS.

(a) PREVAILING RATE OF WAGE.—Nothing in this Act shall affect the applicability of the requirements relating to labor standards of sections 513 and 602(b)(6) of the Federal Water Pollution Control Act (33 U.S.C. 1372, 1382(b)(6)) and section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j–9(e)) to projects carried out under those Acts.

(b) PROJECT LABOR AGREEMENTS.—

(1) CLEAN WATER REVOLVING FUNDS.—Section 602(b) of the Federal Water Pollution Control Act (33 U.S.C. 1382(b)), as amended by section 7, is further amended by adding at the end the following:

“(16) the State will—

“(A) permit recipients of assistance under this title to enter into agreements authorized under section 8(f) of the National Labor Relations Act (commonly known as ‘project labor agreements’) with respect to projects for building or construction carried out with such assistance; and
“(B) ensure that, to the maximum extent practicable, recipients of assistance under this title carry out such projects through the use of such agreements.”.

(2) DRINKING WATER REvolVING FUNDS.—Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) is amended—

(A) in subsection (a), by adding at the end the following:

“(7) PROJECT LABOR AGREEMENTS.—Each agreement under this subsection shall require that the State permit recipients of assistance under this section to enter into agreements authorized under section 8(f) of the National Labor Relations Act (commonly known as ‘project labor agreements’) with respect to projects for building or construction carried out with such assistance.”; and

(B) in subsection (b)(3)(A)—

(i) in clause (ii), by striking “; and” and inserting a semicolon;

(ii) in clause (iii), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:
“(iv) with respect to projects for building or construction, will be carried out through the use of agreements authorized under section 8(f) of the National Labor Relations Act.”.