

115TH CONGRESS
1ST SESSION

H. R. 1673

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2017

Mr. CONYERS (for himself, Mr. GRIJALVA, Ms. JACKSON LEE, Mrs. LAWRENCE, Ms. MCCOLLUM, Mr. POCAN, Mr. EVANS, Mr. ELLISON, Ms. MOORE, Ms. NORTON, Ms. GABBARD, Mrs. BUSTOS, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Ms. SCHAKOWSKY, Mr. MCGOVERN, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. WELCH, Mr. HUFFMAN, Mr. NADLER, Ms. CLARKE of New York, Mr. RASKIN, and Mr. BEN RAY LUJÁN of New Mexico) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Energy and Commerce, Ways and Means, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Water Affordability, Transparency, Equity, and Reli-
4 ability Act of 2017”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 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.

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

9 (a) ESTABLISHMENT.—

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

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

15 “(a) CREATION OF TRUST FUND.—There is estab-
16 lished in the Treasury of the United States a trust fund
17 to be known as the ‘Water Affordability, Transparency,
18 Equity, and Reliability Trust Fund’ (referred to in this
19 section as the ‘Trust Fund’), consisting of such amounts

1 as may be appropriated or credited to such Trust Fund
 2 as provided in this section or section 9602(b).

3 “(b) TRANSFERS TO FUND.—

4 “(1) IN GENERAL.—There are hereby appro-
 5 priated to the Trust Fund such amounts as the Sec-
 6 retary from time to time estimates are equal to the
 7 increase in Federal revenues attributable to the ap-
 8 plication of section 952(e).

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

12 “(c) EXPENDITURES.—Amounts in the Trust Fund
 13 are available, without further appropriation and without
 14 fiscal year limitation, for the purposes described in section
 15 2(c) of the Water Affordability, Transparency, Equity,
 16 and Reliability Act of 2017.”.

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

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

21 (b) IMPOSITION OF TAX.—

22 (1) IN GENERAL.—Section 952 of the Internal
 23 Revenue Code of 1986 is amended by adding at the
 24 end the following:

1 “(e) SPECIAL APPLICATION OF SUBPART.—

2 “(1) IN GENERAL.—Notwithstanding any other
3 provision of this subpart, the term ‘subpart F in-
4 come’ means, in the case of any controlled foreign
5 corporation, the income of such corporation derived
6 from any foreign country.

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

10 (2) EFFECTIVE DATE.—The amendment made
11 by this subsection shall apply to taxable years of for-
12 eign corporations beginning after the date of the en-
13 actment of this Act, and to taxable years of United
14 States shareholders with or within which such tax-
15 able years of foreign corporations end.

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

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

1 (A) 0.5 percent for making grants under
2 section 104(b)(8) of the Federal Water Pollu-
3 tion Control Act;

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

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

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

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

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

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

18 (B) 43.5 percent for making capitalization
19 grants under section 1452 of such Act (42
20 U.S.C. 300j–12); and

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

23 (3) HOUSEHOLD WATER WELL SYSTEMS.—Of
24 such amount, the Secretary shall make available 1
25 percent for making grants under section 306E of the

1 Consolidated Farm and Rural Development Act (7
2 U.S.C. 1926e).

3 **SEC. 3. REPORT ON AFFORDABILITY, DISCRIMINATION AND**
4 **CIVIL RIGHTS VIOLATIONS, PUBLIC PARTICI-**
5 **PATION IN REGIONALIZATION, AND DATA**
6 **COLLECTION.**

7 (a) STUDY.—

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

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

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

20 (B) the effectiveness of funding under sec-
21 tion 1452 of the Safe Drinking Water Act and
22 under section 601 of the Federal Water Pollu-
23 tion Control Act for promoting affordable, equi-
24 table, transparent, and reliable water and sewer
25 service.

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

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

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

13 (4) PUBLIC PARTICIPATION IN REGIONALIZA-
14 TION.—In conducting the study under paragraph
15 (1), the Administrator shall evaluate efforts to re-
16 gionalize public water systems, as defined in section
17 1401 of the Safe Water Drinking Act, and sewer
18 services with respect to public participation in—

19 (A) the decision to undergo such regional-
20 ization; and

21 (B) decisionmaking by the board of direc-
22 tors (or other governing body) of the entity that
23 provides, or oversees or coordinates the provi-
24 sion of, water by the public water systems sub-
25 ject to such regionalization.

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

6 (A) people living without water or sewer
7 services;

8 (B) water service disconnections due to un-
9 paid water service charges, including disconnec-
10 tions experienced by households containing chil-
11 dren, elderly persons, disabled persons, chron-
12 ically ill persons, or other vulnerable popu-
13 lations; and

14 (C) disparate effects, on the basis of race,
15 gender, or socioeconomic status, of water serv-
16 ice disconnections and the lack of public water
17 service.

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

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

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

1 **SEC. 4. TECHNICAL ASSISTANCE TO RURAL AND SMALL**
2 **MUNICIPALITIES AND TRIBAL GOVERN-**
3 **MENTS.**

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

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

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

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

11 “(8) make grants to nonprofit organizations
12 to—

13 “(A) provide technical assistance to rural
14 and small municipalities and tribal governments
15 for the purpose of assisting, in consultation
16 with the State in which the assistance is pro-
17 vided, such municipalities and governments in
18 the planning, development, and acquisition of fi-
19 nancing for projects and activities eligible for
20 assistance under section 603(c);

21 “(B) provide technical assistance and
22 training to rural and small municipalities and
23 tribal governments responsible for publicly
24 owned treatment works and decentralized
25 wastewater treatment systems for the purpose
26 of enabling such works and systems to protect

1 water quality and achieve and maintain compli-
 2 ance with the requirements of this Act; and

3 “(C) disseminate information to rural and
 4 small municipalities, tribal governments, and
 5 municipalities that meet the affordability cri-
 6 teria established under section 603(i)(2) by the
 7 State in which the municipality is located, that
 8 pertains to the planning, design, construction,
 9 and operation of publicly owned treatment
 10 works and decentralized wastewater treatment
 11 systems.”.

12 **SEC. 5. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEM**
 13 **IMPROVEMENT.**

14 Title II of the Federal Water Pollution Control Act
 15 (33 U.S.C. 1281 et seq.) is amended by adding at the end
 16 the following:

17 **“SEC. 222. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYS-**
 18 **TEMS.**

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

1 **SEC. 6. HOUSEHOLD WATER WELL SYSTEMS.**

2 Section 306E(d) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1926e(d)) is amended by
4 striking “\$5,000,000 for each of fiscal years 2014 through
5 2018” and inserting “\$348,500,000 for each fiscal year”.

6 **SEC. 7. STATE WATER POLLUTION CONTROL REVOLVING**
7 **FUNDS.**

8 (a) SPECIFIC REQUIREMENTS.—Section 602(b) of
9 the Federal Water Pollution Control Act (33 U.S.C.
10 1382(b)) is amended—

11 (1) in paragraph (2), by striking “will be made
12 to the State with funds to be made available” and
13 inserting “were made to the State with funds made
14 available for fiscal year 2016”;

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

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

19 (4) by adding at the end the following:

20 “(15) the State will not provide financial assist-
21 ance using amounts from the fund for any project
22 that will provide substantial direct benefits to new
23 communities, lots, or subdivisions, other than a
24 project to construct an advanced decentralized
25 wastewater system; and”.

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

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

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

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

9 “(12) to any municipality or intermunicipal,
10 interstate, or State agency for—

11 “(A) purchasing from a willing or unwill-
12 ing seller a privately owned treatment works;
13 and

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

17 (c) INCREASING THE AMOUNT OF ADDITIONAL SUB-
18 SIDIZATION BY THE STATE.—Section 603(i)(3)(B) of the
19 Federal Water Pollution Control Act (33 U.S.C.
20 1383(i)(3)(B)) is amended to read as follows:

21 “(B) ADDITIONAL LIMITATION.—A State
22 may use not less than 50 percent of the total
23 amount received by the State in capitalization
24 grants under this title for a fiscal year for pro-

1 viding additional subsidization under this sub-
2 section.”.

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

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

7 (1) in subsection (a)—

8 (A) in paragraph (2)—

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

12 (ii) in subparagraph (E), by striking
13 “The funds under this section shall not be
14 used for the acquisition of real property or
15 interests therein, unless the acquisition is
16 integral to a project authorized by this
17 paragraph and the purchase is from a will-
18 ing seller.” and inserting “The funds may
19 also be used for purchasing from a willing
20 or unwilling seller a privately owned com-
21 munity water system, or for the expenses
22 related to canceling a contract for the op-
23 eration or management of a community
24 water system.”; and

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

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

11 (2) in subsection (d)(2), by striking “exceed 30
12 percent” and inserting “be less than 50 percent”;

13 (3) in subsection (e), by striking “to be made
14 to the State” and inserting “that was made to the
15 State in fiscal year 2016”;

16 (4) in subsection (g)(3)—

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

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

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

23 “(D) guidance to ensure affordable, equi-
24 table, transparent and reliable water service
25 provision, to provide protections for households

1 facing service disconnection due to unpaid
 2 water service charges, and to promote universal
 3 equal access to water services.”; and
 4 (5) in subsection (k)(1), by adding at the end
 5 the following:

6 “(E) Provide assistance in the form of a
 7 grant to owners of private property on which a
 8 lead service line (as defined in section 1459B)
 9 is or may be located, for the purpose of replac-
 10 ing the lead service line with a service line that
 11 is lead-free (as defined in section 1417(d)).”.

12 **SEC. 9. DRINKING WATER GRANT PROGRAMS.**

13 (a) SCHOOL DRINKING WATER IMPROVEMENT.—
 14 Part F of the Safe Drinking Water Act (42 U.S.C. 300j–
 15 21 et seq.) is amended by adding at the end the following:

16 **“SEC. 1465. FEDERAL ASSISTANCE.**

17 “Not later than the date that is one year after the
 18 date of enactment of this section, the Administrator shall
 19 establish a grant program to make grants to local edu-
 20 cational agencies for costs associated with—

21 “(1) installing, repairing, or replacing the infra-
 22 structure necessary to ensure that drinking water
 23 coolers, drinking water fountains, or bottle filling
 24 stations at schools under the jurisdiction of the local
 25 educational agency are lead free; and

1 “(2) testing drinking water at schools under the
 2 jurisdiction of the local educational agency for the
 3 presence of lead.”.

4 (b) TRIBAL DRINKING WATER.—Section 1452(i)(1)
 5 of the Safe Drinking Water Act (42 U.S.C. 300j–12(i)(1))
 6 is amended, in the first sentence—

7 (1) by striking “1 1/2” and inserting “Three”;
 8 and

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

10 **SEC. 10. REQUIREMENT FOR THE USE OF AMERICAN MATE-**
 11 **RIALS IN DRINKING WATER.**

12 Section 1452(a) of the Safe Drinking Water Act (42
 13 U.S.C. 300j–12(a)(4)) is amended by striking “During
 14 fiscal year 2017, funds” and inserting “Funds”.

15 **SEC. 11. LABOR PROVISIONS.**

16 (a) PREVAILING RATE OF WAGE.—Nothing in this
 17 Act shall affect the applicability of the requirements relat-
 18 ing to labor standards of sections 513 and 602(b)(6) of
 19 the Federal Water Pollution Control Act (33 U.S.C. 1372,
 20 1382(b)(6)) and section 1450(e) of the Safe Drinking
 21 Water Act (42 U.S.C. 300j–9(e)) to projects carried out
 22 under those Acts.

23 (b) PROJECT LABOR AGREEMENTS.—

24 (1) CLEAN WATER REVOLVING FUNDS.—Sec-
 25 tion 602(b) of the Federal Water Pollution Control

1 Act (33 U.S.C. 1382(b)), as amended by section 7,
2 is further amended by adding at the end the fol-
3 lowing:

4 “(16) the State will—

5 “(A) permit recipients of assistance under
6 this title to enter into agreements authorized
7 under section 8(f) of the National Labor Rela-
8 tions Act (commonly known as ‘project labor
9 agreements’) with respect to projects for build-
10 ing or construction carried out with such assist-
11 ance; and

12 “(B) ensure that, to the maximum extent
13 practicable, recipients of assistance under this
14 title carry out such projects through the use of
15 such agreements.”.

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

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

21 “(5) PROJECT LABOR AGREEMENTS.—Each
22 agreement under this subsection shall require that
23 the State permit recipients of assistance under this
24 section to enter into agreements authorized under
25 section 8(f) of the National Labor Relations Act

1 (commonly known as ‘project labor agreements’)
2 with respect to projects for building or construction
3 carried out with such assistance.”; and

4 (B) in subsection (b)(3)(A)—

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

7 (ii) in clause (iii), by striking the pe-
8 riod at the end and inserting “; and”; and

9 (iii) by adding at the end the fol-
10 lowing:

11 “(iv) with respect to projects for
12 building or construction, will be carried out
13 through the use of agreements authorized
14 under section 8(f) of the National Labor
15 Relations Act.”.

○