

Amendment to HB 276-FN-A

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing the cyanobacteria mitigation loan and grant fund.

4

5 Amend the bill by replacing all after the enacting clause with the following:

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7 1 Purpose Statement. The general court finds that people and animals accessing lakes and
8 rivers across the state have been impacted by cyanobacteria blooms, which pose a threat of acute and
9 chronic illnesses from the toxins they release. Many of these blooms have been triggered by
10 phosphorus loading from direct run-off, poor culvert design, inefficient or failed septic systems,
11 internal loading of phosphorus, among other causes. The cost of designing, installing and repairing
12 mitigation systems or projects for many communities, watershed management associations, and lake
13 associations, would result in dramatically higher property taxes or would take many years of
14 fundraising and delay projects exacerbating the problem. The mitigation of contributors to
15 cyanobacteria blooms requires a strategy to protect, preserve, and enhance the water quality that
16 New Hampshire citizens and the natural environment depend upon.

17 2 New Subdivision; Cyanobacteria Mitigation Loan Program. Amend RSA 485-A by inserting
18 after section 57 the following new subdivision:

19 Cyanobacteria Mitigation Loan Program

20 485-A:58 Establishment and Implementation of Cyanobacteria Mitigation Loan Program.

21 I. There is established in the department of environmental services the cyanobacteria
22 mitigation loan program. The program shall provide low interest loans to:

23 (a) Municipalities, community water systems and non-profit lake and river watershed
24 associations whose testing shows confirmed and chronic exceedances of the state health advisory for
25 cyanobacteria, for remediation efforts begun after September 30, 2023.

26 (b) Publicly-owned and non-profit lake or river watershed associations that have a
27 watershed management plan which specifies sources of phosphorus loading approved by the
28 department of environmental services.

29 II. Projects shall only be financed after the applicant's proposed mitigation plan or
30 watershed management plan demonstrates that the such plan is the most cost-effective solution, as
31 reviewed and approved by the department of environmental services. The applicant shall provide
32 evidence in the application for funding that there are no no-cost or low-cost efforts that would result

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1 in a substantial decrease in external phosphorus loading. The applicant shall also show that there is
2 no responsible party identified by department of environmental services or that the responsible
3 party, potentially including the applicant, has provided their appropriate share of the funding for the
4 proposed project.

5 III. Loans or grants may be made for up to the total cost of the project, after any responsible
6 party's contribution, addressing the contamination.

7 IV. The cyanobacteria mitigation program shall forgive up to 10 percent of the loan principal
8 to community water systems, publicly owned or non-profit lake or river watershed associations using
9 the same qualifying standards for forgiveness used in the drinking water state revolving loan
10 program established under RSA 486:14.

11 V. Total loan forgiveness under this section shall not exceed \$1,000,000 in a fiscal year.
12 485-A:59 Duties.

13 I. The department of environmental services shall:

14 (a) Administer the cyanobacteria mitigation loan and grant program to assist
15 municipalities; community and non-profit, lake and river watershed association; with the cost of
16 reducing the number of chronic and extended cyanobacteria bloom that the department considers to
17 be a threat to long term health of water bodies. For purposes of this subparagraph, administration
18 includes oversight of the grant or loan expenditures to ensure they are not misused.

19 (b) Administer a loan forgiveness program to assist municipalities, community, and non-
20 profit, lake and river watershed association with loan repayment.

21 (c) Award loan or grant funds to projects that meet the following criteria:

22 (1) The project is or was necessary to reduce phosphorus loading identified in an
23 accepted watershed management plan and the applicant for funding is a municipality, a community
24 water system, or a non-profit, lake or river watershed association.

25 (2) The applicant has demonstrated, to the satisfaction of the department, that low
26 or no-cost solutions are neither viable nor effective.

27 (d) Award reimbursements to projects from the fund in a manner consistent with this
28 chapter.

29 II. Every year beginning December 1, 2024, the department of environmental services shall
30 prepare and file a report with the general court evaluating the progress made relative to mitigating
31 cyanobacteria blooms, the efficiency of the program established under this chapter, and whether it
32 continues to provide the maximum benefit to New Hampshire citizens, and providing any
33 recommendations on potential additional tasks for which the fund could be used to address
34 cyanobacteria blooms.

35 485-A:60 Rules. The department of environmental services shall adopt rules, under RSA 541-A,
36 relative to administering cyanobacteria loan and grant programs for eligible projects.

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1 485-A:61 Cyanobacteria Mitigation Loan and Grant Fund Established. There is hereby
2 established in the department of environmental services the cyanobacteria mitigation loan and grant
3 fund which shall be maintained by the state treasurer in distinct and separate custody from all other
4 funds. The state treasurer may invest the fund in accordance with RSA 6:8. Any earnings on fund
5 moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and continually
6 appropriated to the department of environmental services. The cyanobacteria mitigation loan and
7 grant fund shall be used to fund loans, grants, and reimbursements in accordance with this
8 subdivision. Funds from any bond proceeds, grants, loan repayments, legislative appropriations,
9 donations, and other funds shall be credited to this fund.

10 3 New Subparagraph; Cyanobacteria Mitigation Loan and Grant Fund. Amend RSA 6:12, I(b)
11 by inserting after subparagraph (387) the following new subparagraph:

12 (388) Moneys deposited in the cyanobacteria mitigation loan and grant fund
13 established in RSA 485-A:61.

14 4 Capital Appropriation; Department of Environmental Services. The sum of \$25,000,000 is
15 hereby appropriated to the department of environmental services for capital expenditures for the
16 mitigation in the state's drinking water sources or recreational waters, which expenditures may
17 include loans or grants to public or private entities on such terms and conditions as the department
18 of environmental services shall determine. To provide funds for the appropriation made in this
19 section, the state treasurer is hereby authorized to borrow upon the credit of the state not exceeding
20 the sum of \$25,000,000 and for said purpose may issue bonds and notes in the name of and on behalf
21 of the state of New Hampshire in accordance with RSA 6-13-f. Notwithstanding the provisions of
22 RSA 9:18, the appropriation made in this section shall not lapse.

23 5 New Section; Authority to Issue Bonds; General Fund. Amend RSA 6 by inserting after
24 section 13-e the following new section:

25 6:13-f Authority to Borrow; Certain Environmental Projects.

26 I. The state treasurer, as may be requested from time to time by the commissioner of the
27 department of environmental services, is hereby authorized to borrow upon the credit of the state
28 such sums as may be authorized by law from time to time to be borrowed under this section and may
29 issue general obligation bonds in the name and on behalf of the state of New Hampshire for such
30 authorized purposes and amounts in accordance with the provisions of RSA 6-A. The state treasurer
31 is hereby further authorized to borrow all or any portion of amounts authorized to be borrowed
32 under this section either as a loan from banks or other financial institutions, within or without the
33 state, selected by the state treasurer or under the federal program established under the Water
34 Infrastructure Finance and Innovation Act, 33 U.S.C. chapter 52, as amended, and to enter into
35 agreements containing appropriate covenants and conditions as the state treasurer determines to be
36 necessary or desirable to secure favorable credit terms from said banks or other financial institutions
37 or under said program.

1 II. Notwithstanding the provisions of RSA 6-A:2, the maturity date of bonds issued pursuant
2 to this section shall be not later than 30 years from the date of issue, as determined by the state
3 treasurer; provided, that in determining the amount of bonds maturing later than 20 years from the
4 date of issue, the state treasurer shall take into account the expected useful life of the projects being
5 financed, as identified by the commissioner of the department of environmental services.

6 III. To the extent any borrowing under paragraph I cannot be immediately redeemed or
7 prepaid when such funds are received by the state, the funds shall be held in a nonlapsing reserve to
8 be established by the state treasurer for the future payment of the borrowing in accordance with its
9 redemption or prepayment provisions.

10 6 Effective Date. This act shall take effect upon its passage.

UNAPPROVED

2023-0418h

AMENDED ANALYSIS

This bill establishes the cyanobacteria mitigation loan and grant program and the cyanobacteria mitigation fund.

UNAPPROVED