

117TH CONGRESS
1ST SESSION

H. R. 1352

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2021

Mrs. LAWRENCE (for herself, Mr. KHANNA, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. GALLEG0, Ms. PINGREE, Mrs. WATSON COLEMAN, Ms. BARRAGÁN, Mr. LEVIN of Michigan, Ms. NORTON, Mr. JONES, Ms. HOULAHAN, Miss RICE of New York, Mr. JOHNSON of Georgia, Mr. NADLER, Mr. CARSON, Ms. STEVENS, Ms. SCHAKOWSKY, Mr. CASTEN, Mrs. BEATTY, Ms. JOHNSON of Texas, Mr. RASKIN, Ms. MOORE of Wisconsin, Ms. VELÁZQUEZ, Ms. NEWMAN, Mr. FOSTER, Mr. HASTINGS, Mr. COHEN, Mr. ESPAILLAT, Mr. CONNOLLY, Mr. KIM of New Jersey, Mr. NEAL, Ms. MENG, Mr. DESAULNIER, Ms. MATSUI, Mr. HUFFMAN, Mrs. BUSTOS, Mr. DELGADO, Mr. WELCH, Mr. SIRES, Mr. LAWSON of Florida, Ms. CHU, Mr. SUOZZI, Mrs. CAROLYN B. MALONEY of New York, Mr. THOMPSON of Mississippi, Mr. YARMUTH, Mr. GRIJALVA, Mr. RUSH, Ms. OCASIO-CORTEZ, Ms. JAYAPAL, Ms. BUSH, Mr. MFUME, Ms. SLOTKIN, Ms. CLARKE of New York, Ms. DEAN, Ms. OMAR, Mr. CICILLINE, Mr. CARTWRIGHT, Mr. LIEU, Mr. BRENDAN F. BOYLE of Pennsylvania, Mrs. HAYES, Mr. BOWMAN, Ms. PRESSLEY, Ms. BASS, Ms. TLAIB, Mr. POCAN, Mr. RUPPERSBERGER, Ms. BLUNT ROCHESTER, Mr. LOWENTHAL, Mrs. NAPOLITANO, Ms. LEE of California, Mr. AUCHINCLOSS, Ms. LEGER FERNANDEZ, and Ms. BONAMICI) 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.

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 2021”.

(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:

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

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

10 “(b) TRANSFERS TO FUND.—

11 “(1) IN GENERAL.—There are hereby appro-
12 priated to the Trust Fund such amounts as the Sec-
13 retary from time to time estimates are equal to the
14 increase in Federal revenues attributable to the
15 amendment made by section 2(b) of the Water Af-
16 fordability, Transparency, Equity, and Reliability
17 Act of 2021.

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

21 “(c) EXPENDITURES.—Amounts in the Trust Fund
22 are available, without further appropriation and without
23 fiscal year limitation, for the purposes described in section
24 2(c) of the Water Affordability, Transparency, Equity,
25 and Reliability Act of 2021.”.

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

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

5 (b) IMPOSITION OF TAX.—

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

9 (2) EFFECTIVE DATE.—The amendments made
 10 by this Act shall apply to taxable years beginning
 11 after December 31, 2020.

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

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

21 (A) 0.5 percent for making grants under
 22 section 104(b)(8) of the Federal Water Pollu-
 23 tion Control Act;

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

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

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

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

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

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

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

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

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

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

5 (a) STUDY.—

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

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

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

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

24 (3) DISCRIMINATION AND CIVIL RIGHTS.—In
25 conducting the study under paragraph (1), the Ad-
26 ministrator, in collaboration with the Civil Rights

1 Division of the United States Department of Justice,
2 shall study—

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

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

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

16 (A) the decision to undergo such regional-
17 ization; and

18 (B) decision making by the board of direc-
19 tors (or other governing body) of the entity that
20 provides, or oversees or coordinates the provi-
21 sion of, water by the public water systems sub-
22 ject to such regionalization.

23 (5) DATA COLLECTION.—In conducting the
24 study under paragraph (1), the Administrator shall
25 collect information, assess the availability of infor-

1 mation, and evaluate the methodologies used to col-
2 lect information, related to—

3 (A) people living without water or sewer
4 services;

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

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

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

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

21 (2) recommendations for utility companies,
22 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(u) of the Federal Water Pollution Con-
5 trol Act (33 U.S.C. 1254(u)) is amended by striking “not
6 to exceed \$25,000,000 for each of fiscal years 2019
7 through 2023” and inserting “\$175,000,000 for each of
8 fiscal years 2021 through 2026”.

9 **SEC. 5. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEM**
10 **IMPROVEMENT.**

11 Title II of the Federal Water Pollution Control Act
12 (33 U.S.C. 1281 et seq.) is amended by adding at the end
13 the following:

14 **“SEC. 222. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYS-**
15 **TEMS.**

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

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

23 Section 306E(d) of the Consolidated Farm and Rural
24 Development Act (7 U.S.C. 1926e(d)) is amended by
25 striking “\$20,000,000 for each of fiscal years 2019

1 through 2023” and inserting “\$348,500,000 for each fis-
2 cal year”.

3 **SEC. 7. STATE WATER POLLUTION CONTROL REVOLVING**
4 **FUNDS.**

5 (a) SPECIFIC REQUIREMENTS.—Section 602(b) of
6 the Federal Water Pollution Control Act (33 U.S.C.
7 1382(b)) is amended—

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

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

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

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

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

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

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

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

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

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

8 “(A) purchasing from a willing or unwill-
9 ing seller a privately owned treatment works;
10 and

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

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

18 “(B) ADDITIONAL LIMITATION.—A State
19 may use not less than 50 percent of the total
20 amount received by the State in capitalization
21 grants under this title for a fiscal year for pro-
22 viding additional subsidization under this sub-
23 section.”.

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

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

5 (1) in subsection (a)—

6 (A) in paragraph (2)—

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

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

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

25 “(6) EXCEPTION TO PUBLIC OWNERSHIP, OPER-
26 ATION, AND MANAGEMENT REQUIREMENT.—Not-

1 withstanding paragraph (2)(A), public water systems
2 that regularly serve fewer than 10,000 persons, and
3 which are not owned, operated, or managed by any
4 person who owns, operates, or manages any other
5 public water system, may receive assistance under
6 this section.”;

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

9 “(2) TOTAL AMOUNT OF SUBSIDIES.—To the
10 extent that there are sufficient applications for loans
11 to communities described in paragraph (1), of the
12 amount of the capitalization grant received by a
13 State in a fiscal year, the total amount of loan sub-
14 sidies made by the State in the fiscal year pursuant
15 to paragraph (1) may not be less than 50 percent.”;

16 (3) in subsection (e), by striking “to be made
17 to the State” and inserting “that was made to the
18 State in fiscal year 2021”;

19 (4) in subsection (g)(3)—

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

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

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

1 “(D) guidance to ensure affordable, equi-
2 table, transparent and reliable water service
3 provision, to provide protections for households
4 facing service disconnection due to unpaid
5 water service charges, and to promote universal
6 equal access to water services.”; and

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

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

15 “(F) Provide assistance to a publicly
16 owned, operated, and managed community
17 water system for the purpose of updating treat-
18 ment plants or switching water sources due to
19 contamination from per- and polyfluoroalkyl
20 substances (PFAS) (as defined by the State in
21 which the community water system is located).

22 “(G) Provide assistance in the form of a
23 grant to owners of a household water well that
24 has been contaminated by per- and
25 polyfluoroalkyl substances (PFAS) (as defined

1 by the State in which the household well is lo-
2 cated), for the purpose of purchasing and in-
3 stalling a household filtration system.”.

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

5 (a) SCHOOL DRINKING WATER IMPROVEMENT.—
6 Section 1465 of the Safe Drinking Water Act (42 U.S.C.
7 300j–25) is amended—

8 (1) in the section header, by striking “**FOUN-**
9 **TAIN**” and inserting “**INFRASTRUCTURE**”;

10 (2) in subsection (a), by striking “fountains
11 manufactured prior to 1988” and inserting “infra-
12 structure”;

13 (3) by amending subsection (b) to read as fol-
14 lows:

15 “(b) USE OF FUNDS.—Funds awarded under the
16 grant program may be used to pay costs associated with—

17 “(1) installing, repairing, or replacing the infra-
18 structure necessary to ensure that drinking water
19 fountains, drinking water coolers, and bottle filling
20 stations at schools are lead free; and

21 “(2) monitoring and reporting of lead levels in
22 the drinking water of schools, as determined appro-
23 priate by the Administrator.”; and

24 (4) in subsection (d)—

1 (A) by striking “\$5,000,000” and inserting
 2 “\$1,050,000,000”; and

3 (B) by striking “2021” and inserting
 4 “2024”.

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

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

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

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

13 Section 1452(a)(4) of the Safe Drinking Water Act
 14 (42 U.S.C. 300j–12(a)(4)) is amended by striking “Dur-
 15 ing fiscal years 2019 through 2023, funds” and inserting
 16 “Funds”.

17 **SEC. 11. LABOR PROVISIONS.**

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

25 (b) PROJECT LABOR AGREEMENTS.—

1 (1) CLEAN WATER REVOLVING FUNDS.—Sec-
 2 tion 602(b) of the Federal Water Pollution Control
 3 Act (33 U.S.C. 1382(b)), as amended by section 7,
 4 is further amended by adding at the end the fol-
 5 lowing:

6 “(16) the State will—

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

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

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

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

23 “(7) PROJECT LABOR AGREEMENTS.—Each
 24 agreement under this subsection shall require that
 25 the State permit recipients of assistance under this

1 section to enter into agreements authorized under
2 section 8(f) of the National Labor Relations Act
3 (commonly known as ‘project labor agreements’)
4 with respect to projects for building or construction
5 carried out with such assistance.”; and

6 (B) in subsection (b)(3)(A)—

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

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

11 (iii) by adding at the end the fol-
12 lowing:

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

○