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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 104. ENVIRONMENTAL HEALTH [106500 - 119406]** ( *Division 104 added by Stats. 1995, Ch. 415, Sec. 6. )*

**PART 12. DRINKING WATER [116270 - 117130]** ( *Part 12 added by Stats. 1995, Ch. 415, Sec. 6. )*

**CHAPTER 4.5. Safe Drinking Water State Revolving Fund Law of 1997 [116760 - 116762.60]** ( *Chapter 4.5 added by Stats. 1997, Ch. 734, Sec. 15. )*

**ARTICLE 7. Safe Drinking Water State Revolving Fund Management [116761.62 - 116761.86]** ( *Article 7 added by Stats. 1997, Ch. 734, Sec. 15. )*

**116761.62.** (a) To the extent permitted by federal and state law, moneys in the fund may be expended to rebate to the federal government all arbitrage profits required by the federal Tax Reform Act of 1986 (Public Law 99-514) or any amendment of or supplement to that law. To the extent that this expenditure of the moneys in the fund is prohibited by federal or state law, any rebates required by federal law shall be paid from the General Fund or other sources, upon appropriation by the Legislature.

(b) Notwithstanding any other law or regulation, the board may enter into contracts or may procure those services and equipment that may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the federal Tax Reform Act of 1986 (Public Law 99-514) or the federal Safe Drinking Water Act.

(c) This section shall become operative on July 1, 2014.

*(Repealed (in Sec. 113) and added by Stats. 2014, Ch. 35, Sec. 114. (SB 861) Effective June 20, 2014. Section operative July 1, 2014, by its own provisions.)*

**116761.65.** (a) The board shall establish, and may periodically adjust, the interest rate for repayable financing made pursuant to this chapter at a rate not to exceed 50 percent of the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds issued in the prior calendar year, rounded up to the closest one-tenth of 1 percent.

(b) Notwithstanding subdivision (a), to the extent authorized by federal law, the board may provide reduced or 0 percent financing to further the purposes of this chapter.

*(Amended by Stats. 2022, Ch. 680, Sec. 4. (SB 1188) Effective January 1, 2023.)*

**116761.70.** (a) The Safe Drinking Water State Revolving Fund Administration Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited into the administration fund:

(1) Moneys transferred to pay the costs incurred by the state board in connection with the administration of this chapter.

(2) The amounts collected for financial assistance services pursuant to subdivision (c).

(3) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys in the fund.

(c) (1) For financial assistance made pursuant to this chapter, where that financial assistance is to be repaid to the state board, the state board may assess an annual charge for financial assistance services with regard to the financial assistance, not to exceed 1 percent of the financial assistance balance, computed according to the true interest cost method.

(2) The financial assistance service rate authorized by this subdivision may be applied at any time during the term of the financial assistance, and once applied, shall remain unchanged for the duration of the financial assistance and shall not increase the financial assistance repayment amount, as set forth in the terms and conditions imposed pursuant to this chapter.

(d) Upon appropriation by the Legislature, moneys in the administration fund may be expended by the state board for payment of the reasonable costs of administering the fund.

(e) The state board shall set the total amount of revenue collected each year through the charge authorized by subdivision (c) at an amount that is equal as practicable to the appropriation amount set forth in the annual Budget Act for this activity. At least once each fiscal year, the state board shall adjust the financial assistance service charge imposed pursuant to subdivision (c) to conform with the appropriation amount set forth in the annual Budget Act.

*(Repealed and added by Stats. 2015, Ch. 673, Sec. 18. (AB 1531) Effective January 1, 2016.)*

**116761.85.** (a) Moneys repaid to the state pursuant to any contract executed pursuant to this chapter, including interest payments and all interest earned on or accruing to any moneys in the fund, shall be deposited in the fund and shall be available in perpetuity, for expenditure for the purposes and uses permitted by this chapter and the federal act.

(b) This section shall become operative on July 1, 2014.

*(Repealed (in Sec. 121) and added by Stats. 2014, Ch. 35, Sec. 122. (SB 861) Effective June 20, 2014. Section operative July 1, 2014, by its own provisions.)*

**116761.86.** To the extent amounts in the fund are not required for current obligation or expenditure, those amounts shall be invested in interest bearing obligations, and the interest earned shall become part of the fund.

*(Added by Stats. 1997, Ch. 734, Sec. 15. Effective October 7, 1997.)*