

AMWA leads coalition supporting lead service line legislation

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Last week AMWA led a coalition of seven water sector and municipal organizations endorsing H.R. 6985 (<https://www.congress.gov/bill/117th-congress/house-bill/6985>), the Financing Lead Out of Water (FLOW) Act. Earlier this year, AMWA worked (<https://www.amwa.net/article/flow-act-aims-remove-lead-service-line-financing-red-tape>) with Rep. Dan Kildee (D-Mich.) to develop the legislation.

The bill would amend the federal tax code to allow public water systems to pay for the replacement of privately owned lead service lines with tax-exempt bonds without first navigating IRS' "private business use test." Currently, water systems must certify to IRS that proceeds from a tax-exempt debt issuance do not benefit private entities above a certain threshold – a requirement that in practice has meant that water systems must spend months attempting to verify whether a business operates out of any property where a privately owned lead service line would be replaced with those tax-exempt funds.

Last week's letter (<https://www.amwa.net/letter/letter-support-hr-6985-flow-act>) explained that the legislation would "ease administrative and cost burdens on utilities and promote public health across the country."

"The longer the IRS administrative process, the longer homeowners will have to live with lead service lines," the letter said. "If the complete elimination of lead service lines is the goal, then putting time-consuming administrative obstacles in the path of water systems is not the right approach."

AMWA is continuing to work with Rep. Kildee's staff to build support for the legislation in hopes of securing a path to passage before the end of the year.

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