

Human services: services or financial assistance; water rate affordability fund; provide for.  
Human services: services or financial assistance; Water supply: systems and utilities; Public utilities: consumer services; State agencies (existing): health and human services;

# SENATE BILL NO. \_\_\_\_\_

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
(MCL 400.1 to 400.119b) by adding section 14t.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        **Sec. 14t. (1) The low-income water residential affordability**  
2 **fund is created within the state treasury.**

3        **(2) The state treasurer may receive money or other assets from**  
4 **any source for deposit into the fund. The state treasurer shall**  
5 **direct the investment of the fund and credit to the fund interest**



1 and earnings from fund investments.

2 (3) Money in the fund at the close of the fiscal year remains  
3 in the fund and does not lapse to the general fund.

4 (4) The department of treasury is responsible for collecting  
5 and auditing related funds.

6 (5) The department is the administrator of the fund for  
7 auditing purposes. The department shall expend money from the fund,  
8 on appropriation, only for 1 or more of the following purposes:

9 (a) 5% of the fund to the department for administrative costs  
10 of the affordability program. Beginning 3 years after the effective  
11 date of the amendatory act that added this section and once every 3  
12 years thereafter, the department shall evaluate the amount under  
13 this subsection.

14 (b) \$425,000.00 to the department of treasury.

15 (c) The remaining balance of the fund to providers and program  
16 administrators for the following:

17 (i) The actual administrative costs associated with the  
18 implementation of the affordability program, not to exceed 15%.

19 (ii) Payment or advancement to providers and program  
20 administrators for income-based bill discounts, income-based bill  
21 caps, or income-based rates.

22 (iii) Arrearage payments.

23 (iv) Water loss mitigation programs administered by third party  
24 organizations such as home plumbing audits and minor plumbing  
25 repairs. The department shall expend not more than \$15,000,000.00  
26 for water loss mitigation programs under this subparagraph.

27 (6) Notwithstanding section 30a of 1941 PA 122, MCL 205.30a,  
28 payments made to a provider from the fund under subsection (5) (c)  
29 are exempt from interception, execution, levy, attachment,



1 garnishment, or any other legal process to collect a debt. No  
2 portion of any payment described under subsection (5)(c) must be  
3 applied to offset any liability of the provider under section 30a  
4 of 1941 PA 122, MCL 205.30a, or any other statute.

5 (7) The department shall disburse money from the fund to  
6 providers and program administrators on a frequency of not less  
7 than quarterly for the items listed in subsection (5)(c).

8 (8) Subject to the limitations imposed in this section, the  
9 low-income water residential affordability funding factor is any of  
10 the following amounts:

11 (a) A fee of \$1.25 per month per retail water meter or the  
12 equivalent based on the provider's billing cycle, which increases  
13 by \$0.25 annually beginning January 1, 2026, until December 31,  
14 2029. Beginning January 1, 2030, and by each January 1 thereafter,  
15 the department of treasury shall adjust the funding factor by the  
16 percentage increase in the United States Consumer Price Index for  
17 the immediately preceding calendar year. If the remaining balance  
18 reported by the department of treasury is greater than 10% of the  
19 funds collected by the funding factor in the fiscal year for which  
20 the remaining balance was reported, the department of treasury  
21 shall set the funding factor at a rate at which the total funds  
22 collected would not exceed the total amount of funds collected by  
23 the low-income water affordability funding factor minus the  
24 remaining balance.

25 (b) If on the effective date of the amendatory act that added  
26 this section the provider operates an assistance or affordability  
27 program, any of the following fees:

28 (i) A fee of \$1.25 per month for each retail water-metered or  
29 flat rate account.



1       (ii) A fee of \$1.25 per month for each retail water-metered or  
2 flat rate account less an amount that is equivalent to the average  
3 monthly amount the customer paid the previous year for the  
4 provider's assistance or affordability program.

5       (iii) A fee of \$1.25 per month for each retail water-metered  
6 account or flat fee rate less 10% if the provider imposed a fee for  
7 participation in an assistance or affordability program in the  
8 previous year.

9       (9) The department of treasury may adjust the funding factor  
10 within each of the department's business service center regions.  
11 The task force or the department may recommend to the department of  
12 treasury to reduce the funding factor under subsection (8) (b) if  
13 projections show there is enough in the fund to sustain the  
14 affordability program for 3 years with the reduced funding factor.

15       (10) The funding factor must not exceed \$3.00 or result in  
16 total collections that are 10% greater than the total amount  
17 collected in the previous year, whichever is less.

18       (11) Any adjustment to the funding factor must be determined  
19 by the department of treasury not later than October 1 and takes  
20 effect on January 1 of the succeeding year.

21       (12) The affordability funding factor must be considered as  
22 part of the total bill for the purposes of considering water  
23 affordability based on household income caps in the affordability  
24 program or as otherwise outlined in sections 14n to 14s.

25       (13) Providers shall include the funding factor on all retail  
26 water bills. Providers may list the funding factor as a separate  
27 line item on residential customer bills or incorporate the funding  
28 factor into retail water rates. Payment for services collected by  
29 providers must first be applied to satisfy this subsection and must

1 be remitted to the state treasurer for deposit into the fund on a  
2 regular cycle that matches the remitting providers' billing cycle  
3 but not later than 30 days after the last day of the billing cycle.

4 (14) After the first full year of collection, and not later  
5 than April 1, the provider is required to annually provide to the  
6 department the following information regarding the low-income water  
7 residential affordability funding factor:

8 (a) The number of retail water-metered accounts for which a  
9 bill was sent subject to the funding factor on June 30 and December  
10 31 of the previous calendar year.

11 (b) The total amount of money collected by the provider from  
12 the funding factor.

13 (c) The total amount of money not collected by the provider  
14 from the funding factor.

15 (d) The total amount of money remitted by the provider to the  
16 state treasurer from the funding factor.

17 (e) The total amount of administrative costs associated with  
18 administering or implementing the affordability program.

19 (15) Money collected from the funding factor within each of  
20 the department's business service center regions must be disbursed  
21 to providers and program administrators within the same business  
22 service center regions.

23 (16) Not later than July 1 each year, the task force shall  
24 annually provide a report to the legislature and post that report  
25 on the department's website. The report must include the following:

26 (a) The information collected under subsection (14).

27 (b) The total amount of money remitted to each provider.

28 (c) Any recommended adjustments to the affordability program  
29 or fund.

(d) The total amount of administrative costs associated with administering or implementing the affordability program.

(17) This section does not give the Michigan public service commission the power to regulate a public water utility.

(18) The attorney general may enforce this section against a provider that fails to include the funding factor on all retail water bills or remit the money collected from the funding factor by filing a civil action in the circuit court in the county where the provider does business. Subject to this subsection, a provider is not subject to liability for the funding factor included on retail water bills but not collected through the provider's normal business practices.

(19) The department of treasury shall create a mechanism through which a retail water customer or philanthropic entity can donate funds into the fund. Any entity that contributes more than \$5,000.00 shall receive a "water affordability champion" designation.

(20) This section does not preclude a provider from establishing other funding mechanisms to supplement its approved locally administered program.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 103rd Legislature are enacted into law:

(a) Senate Bill No. \_\_\_\_ (request no. S00914'25) or House Bill No. \_\_\_\_ (request no. H00914'25).

(b) Senate Bill No. \_\_\_\_ (request no. S00915'25) or House Bill No. \_\_\_\_ (request no. H00915'25).

