KEY PROVISIONS OF 2025 BIPARTISAN WATER AFFORDABILITY BILLS

<u>Water Affordability Fund – SB248</u>

- $1.25 per meter charge/monthly/all customers; or the monthly billing equivalent.
- Prescribes administrative fees, no lapse to the general fund.
- Covers gap payments, arrearages, and plumbing repairs.
- $15M/year from the fund can be used for plumbing repairs.
- Fees collected within each DHHS business service center region must be disbursed to providers and program administrators within that same region.
- A municipality is considered part of the same business service center region as its wholesale provider, unless there is an agreement stating the municipality will be within its geographical service center region.
- Data on participation to be collected biannually.
- $1.25 monthly fee on metered or flat rate accounts excludes fire line and irrigation accounts.
- Definition of "provider" includes utilities that supply and/or perform retail billing for other communities.
- Locally administered programs can seek alternate funding mechanisms to supplement programs.
- If a provider has a preexisting water affordability or assistance program in the previous year, the water provider may charge: (1) the full funding factor, (2) provider's monthly fee minus the average amount customers in that service area paid into the preexisting program, OR (3) the full funding factor less 10% if the provider had a fee or funding mechanism.
- DHHS administers the fund for auditing purposes.
- Department can reduce the funding factor if there are enough funds for 3 years.
- Payments made to a provider from the fund are exempt from levy, attachment, garnishment, etc., or any other process to collect debt.

<u>Creation of Low-Income Water Residential Affordability Program Task Force – SB249</u>

- Task force established to make recommendations to the State regarding administration of the plan, benefits, or funding.
- Comprised of representatives from different-sized communities—rural, suburban, and urban areas.
- Task force may review and revise base allocation water usage limits.
- Develop educational outreach materials.
- Explore ways to expand programming.

Water Affordability Program – SB250

- FOUR OPTIONS FOR LOCAL PROVIDERS:

1. Collect the $1.25 monthly funding factor*, submit that to the state, and* ***participate in*** *the* ***DHHS state water affordability program;*** *funding collected in each DHHS service center region stays in that region.*	***2. Collect the $1.25 monthly funding factor,*** *submit that to the state, and* ***maintain or start your own local water affordability program****; two or more providers can combine; funding collected in your DHHS service center region will fund your program.*
3. "Local option" *–* ***Don't collect the $1.25*** *monthly funding factor,* ***maintain or start your own local water affordability program****, and* ***develop your own funding source****; two or more providers can combine.*	***4. "Opt out" – for providers with 6,000 or fewer customers, don't collect the $1.25*** *monthly funding factor, and* ***instead of creating your own local water affordability program,*** *your governing board* ***adopts a policy regarding arrears to not: shut off water, certify any amount to the property tax authority, and pursue aggressive debt collection.***

- Covers water, sewerage, and drainage charges billed by the provider.
- Two tiers of payments based on income – up to 135% of FPL; up to 200% FPL.
- Customer payment does not exceed 2% of average household income in the first tier; 3% of average household income in the second tier.
- $1,500 arrearage forgiveness the first year; plus $1,500, if needed, the second year.
- No shut off if enrolled in program or on payment plan.
- Definition of "provider" includes utilities that supply and/or perform retail billing for other communities.
- Waiver process to be established for households with hardships at 200-250% of FPL so they can participate in the program.
- Arrearages paid upon enrollment; third-party administrator notifies the provider within 3 business days that the applicant is under review, and shut off is prohibited.
- If funding is insufficient, available fund distribution should prioritize all enrollees equitably across each geographic region and population size.
- Only licensed plumbers may be used for minor plumbing repairs; only owner-occupied homes are eligible for plumbing repairs if enrolled in the program.
- A base allocation of water usage per month:
    - households with 0 to 4 people, 6 to 8 ccf;
    - households with 5 to 6 people, 9 to 11 ccf;
    - households with 7 to 8 people, 12 to 14 ccf;
    - households with 9 to 10 people, 15 to 17 ccf; and
    - households with 11 or more people, 18 to 20 ccf.

- If the eligible customer exceeds the base allocation, the water provider shall charge their normal rate for excess. If a household exceeds its limit, then the third-party administrator takes steps to reduce consumption.
- DHHS refers to MEAP Manual and looks at SNAP and other programs' redetermination processes and timelines in creating rules for this program.
- DHHS engages in public relations activities to promote the affordability program.
- State law takes precedence over conflicting local ordinances.

Shutoff Protection – SB252

- Notice provisions before shutoff for nonpayment shall be on bills, door hangers, a home visit, calls, and/or texts.
- Must apply for a program or payment plan to prevent shut off.
- Shut-offs limited to certain days/times; restoration must be prompt.
- Critical care customers protected.
- If the customer fails to comply with program rules, a triage process is established to provide wraparound services before unenrollment.
- If unlawfully occupied, the owner can request a water shutoff.
- If water is shut off for public health reasons, the public must be notified consistent with Michigan Safe Drinking Water Act.
- Three notifications to customers facing shutoff.
- Protections for tenants if landlord/owner is responsible for paying the water bill but fails to do so: tenant provides a copy of the lease to the provider; no shut off allowed; water provider may still collect from the owner under Municipal Water Liens Act.

Tenant Right to Copy of Landlord Water Bill – SB253

- Request may be made to send water bills to both landlord and tenant.

Illegal reconnections – SB255

- Reduction from felony to misdemeanor for illegal turn-ons at low-income homes whose account holder could not pay.
- Affected households with illegal reconnection after shut-off referred to the low-income water affordability program if eligible.
- Reduction of the community service hours penalty.