

**SUBSTITUTE FOR
SENATE BILL NO. 251**

A bill to require all state departments and agencies to establish certain residential water affordability criteria; to create the office of residential water affordability within the department of health and human services; to prescribe the powers and duties of the office of residential water affordability; to require certain reports; and to prescribe the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "water affordability and
2 transparency act".

3 Sec. 3. As used in this act:

4 (a) "Charges" means the amounts that a provider bills to a
5 customer under specific circumstances that are not included in the



1 provider's base rate, including, but not limited to, late fees,
2 connection fees, impact fees for new development, deposits for
3 opening new accounts, and any other fees, surcharges, or penalties.

4 (b) "Customer" means a person, entity, or end user that is
5 responsible for a water bill.

6 (c) "Customer class" means the provider's users identified
7 under categories that include, but are not limited to, residential,
8 commercial, industrial, irrigation, or wholesale.

9 (d) "Delinquency" means the measure by which a provider
10 determines a payment is late or overdue.

11 (e) "Delinquent account" means an account or water bill for
12 which there is a delinquency.

13 (f) "Department" means the department of health and human
14 services.

15 (g) "Local or statewide health emergency" means an emergency
16 as that term is defined in section 2 of the emergency management
17 act, 1976 PA 390, MCL 30.402.

18 (h) "Office" means the office of residential water
19 affordability created in section 7.

20 (i) "Provider" means a public or private community water
21 supply that provides retail water service in this state or performs
22 retail billing services for another community water supply.

23 (j) "Rates" means the fixed component, if any, and the
24 volumetric or other variable component, if any, of the cost of
25 provider's services that are applied to a customer class.

26 (k) "Residential customer" means an individual who receives,
27 or is eligible to receive, a provider's services at the
28 individual's primary residence.

29 (l) "Residential water affordability program" means the low-



1 income water residential affordability program created under
2 section 14o of the social welfare act, 1939 PA 280, MCL 400.14o.

3 (m) "Restoration" means a reconnection of water service after
4 a shutoff.

5 (n) "Sewage" means sanitary sewage or, in the case of a
6 combined sewer system that is designed to convey both sanitary
7 sewage and stormwater, mixed sanitary sewage and stormwater.

8 (o) "Shutoff" means a disconnection of services due to
9 nonpayment.

10 (p) "Water bill" means a request from a provider to a customer
11 for payment for water service. Water bill includes a request for
12 payment of sewer, stormwater, or other related services if the
13 provider charges for those services.

14 (q) "Wholesale provider" means a provider that supplies water
15 service or the services of wastewater collection, wastewater
16 treatment, stormwater collection, or stormwater treatment to retail
17 providers for resale.

18 Sec. 5. (1) Each individual needs and should have access to
19 safe, clean, affordable, and accessible water for human
20 consumption, cooking, and sanitary purposes.

21 (2) This section does not expand any obligation of this state
22 to provide water or to require the expenditure of additional
23 resources to develop water infrastructure beyond the obligations
24 that may exist under law.

25 (3) The implementation of this section does not infringe on
26 the rights or responsibilities of any public water system in this
27 state.

28 Sec. 7. (1) The office of residential water affordability is
29 created within the department. The director shall appoint a deputy



1 of the office.

2 (2) The office shall establish procedures for the office for
3 budgeting, expending money, and employing personnel in accordance
4 with the management and budget act, 1984 PA 431, MCL 18.1101 to
5 18.1594.

6 (3) The office shall do both of the following:

7 (a) Track and maintain data on all of the following:

8 (i) All providers in this state, as identified by the
9 department of environment, Great Lakes, and energy.

10 (ii) The status of each provider's residential water
11 affordability program.

12 (iii) Information included in the report provided for in section
13 14t(16) of the social welfare act, 1939 PA 280, MCL 400.14t.

14 (b) Create and maintain a website accessible to the public
15 that contains the information included in the report provided for
16 in section 14t(16) of the social welfare act, 1939 PA 280, MCL
17 400.14t.

18 Sec. 9. Not later than April 1, 2028, the department shall
19 develop a standardized provider report form that includes all of
20 the following:

21 (a) Whether a provider is a governmental or nongovernmental
22 entity.

23 (b) Whether a provider provides water, sewerage, or stormwater
24 services, or a combination of services, to retail or wholesale
25 providers.

26 (c) The name of the wholesale provider from which a retail
27 provider obtains service and the rate the retail provider pays for
28 the service, if applicable.

29 (d) A list of the provider's customer classes.



1 (e) The number of customer connections to the provider's
2 system, listed by customer class.

3 (f) The provider's rates and charges in effect, including any
4 distinctions between customer classes and among customers in
5 different geographic areas within the provider's service area.

6 (g) All of the following information regarding shutoff
7 notices, shutoffs, and restorations during the previous calendar
8 year:

9 (i) The number of shutoff notices issued to residential
10 customers.

11 (ii) The number of residential customer shutoffs for a
12 delinquent account.

13 (iii) The aggregate dollar amount of arrears owed on all
14 delinquent accounts listed in subparagraph (ii).

15 (iv) The number of residential customer restorations.

16 (h) All of the following information regarding customer
17 accounts where a provider attempted to collect arrears owed on a
18 delinquent account using methods that did not include shutting off
19 service:

20 (i) The total number of customer accounts where the delinquency
21 resulted in litigation or action by an independent collection
22 agency, by customer class.

23 (ii) The aggregated dollar amount of arrears on the customer
24 accounts listed in subparagraph (i), by customer class.

25 (iii) The total number of customer accounts where a delinquency
26 resulted in a transfer of debt to the local taxing authority, by
27 customer class, and the aggregate dollar amount of arrears owed, by
28 customer class.

29 (iv) The provider's threshold amount for transferring balances



1 to litigation, independent collection agents, or taxing
2 authorities.

3 (i) If the provider administers a low-income water
4 affordability program as provided for under section 14s of the
5 social welfare act, 1939 PA 280, MCL 400.14s, all of the following
6 information:

7 (i) A statement of the type of low-income water affordability
8 program.

9 (ii) The funding source for the low-income water affordability
10 program.

11 (iii) The date when a provider began administration of a low-
12 income water affordability program under section 14s of the social
13 welfare act, 1939 PA 280, MCL 400.14s.

14 (iv) Eligibility criteria.

15 (v) The number of residential customers enrolled as of the
16 date of the report.

17 (vi) The number of first-time enrollees since the last
18 reporting period and the aggregate amount of arrears owed on the
19 delinquent accounts.

20 (vii) The average benefit amount provided to enrolled customers
21 per billing period.

22 (viii) The number of customers that defaulted while enrolled in
23 a low-income water affordability program. As used in this
24 subparagraph, "defaulted" means a failure to pay a water bill or
25 otherwise make a payment on arrears.

26 (ix) The aggregate amount of arrears resolved under a low-
27 income water affordability program.

28 (x) A link to or copy of the information available to
29 customers regarding the provider's low-income water affordability



1 program.

2 (j) If the provider does not administer a low-income water
3 affordability program as provided for under section 14s of the
4 social welfare act, 1939 PA 280, MCL 400.14s, a statement of the
5 policy or practice the provider utilizes to refer customers to the
6 residential water affordability program.

7 (k) An identification of the authority or government body that
8 sets or approves a provider's rates, financial policies, or
9 decisions.

10 (l) Whether a provider holds a public hearing on a proposed
11 rate change.

12 (m) An itemized list of charges, fees, credits, and other cost
13 details on the provider's water bills and whether each item is
14 structured as a volumetric rate, uniform rate, flat rate, inclining
15 block rate, or declining block rate.

16 (n) The frequency of customer water bills, by customer class.

17 (o) Whether a provider has an emergency plan to restore water
18 service to all customers in shutoff status at the time of a
19 declaration of a local or statewide health emergency.

20 (p) The number of water and sewer main breaks reported to the
21 provider in the previous calendar year.

22 Sec. 11. (1) Not later than 15 months after the effective date
23 of this act, and by each April 1 thereafter, a provider shall
24 submit a report to the department using the standardized provider
25 report form created under section 9. The department shall make the
26 reports submitted under this subsection available on the
27 department's website.

28 (2) Not later than 20 months after the effective date of this
29 act and by each September 1 thereafter, the department shall



1 compile a summary of the information submitted under subsection (1)
2 and make the summary available on the department's website.

3 (3) Not later than December 31, 2026, the department shall
4 provide training to providers on completing the standardized
5 provider report form created under section 9.

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

9 (a) Senate Bill No. 248.

10 (b) Senate Bill No. 250.