

HOUSE BILL NO. 5172

October 30, 2025, Introduced by Reps. Wegela, Dievendorf, Arbit, Paiz, Wilson, Price, B. Carter, Rheingans, Conlin, Hope, MacDonell, Young, Weiss and Tsernoglou and referred to Committee on Regulatory Reform.

A bill to prescribe the powers and duties of providers of water, sewerage, and stormwater management services in this state; to require providers of water, sewerage, and stormwater management services in this state to file certain reports with the department of health and human services; to prescribe the powers and duties of certain state departments and entities; and to require certain websites and documents to be maintained.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

1 (a) "Assets" means the source, treatment, pumping, and
2 distribution systems owned by a provider, including equipment and
3 real estate.

4 (b) "Charges" means the amounts that a provider bills to a
5 ratepayer under specific circumstances that are not included in the
6 provider's base rate. Charges include, but are not limited to, any
7 of the following:

8 (i) A late fee.

9 (ii) A connection fee.

10 (iii) An impact fee for new development.

11 (iv) A deposit for opening a new account.

12 (v) Any other fee, surcharge, or penalty.

13 (c) "Department" means the department of health and human
14 services or the department's designee.

15 (d) "Provider" means a water, sewerage, or stormwater system
16 that provides retail or wholesale water, sewerage, or stormwater
17 management service in this state.

18 (e) "Rates" means the formula used to determine the cost of
19 water, sewerage, or stormwater management services that are charged
20 to ratepayers, including, if any, charges.

21 (f) "Schedule of rates" means the list of rates and applicable
22 charges for a provider's services for each category of ratepayer.

23 Sec. 3. Annually, as determined by the department, a provider
24 shall file with the department an annual report that contains all
25 of the following information for the previous calendar year:

26 (a) A statement of whether the provider is a governmental or
27 nongovernmental entity.

28 (b) A statement of whether the provider provides water,
29 sewerage, or stormwater management service, or a combination of

1 services, and for each service provided, whether the provider
2 provides a service or combination of services to retail ratepayers,
3 wholesale ratepayers, or both.

4 (c) The rates and charges for water, sewerage, or stormwater
5 management services charged by that provider in effect on April 1,
6 or any other uniform date established by the department, including
7 any distinctions among categories of ratepayer, between retail and
8 wholesale ratepayers, and among ratepayers in different geographic
9 areas within the provider's service area.

10 (d) The date on which the rates and charges reported in
11 subdivision (c) took effect.

12 (e) A list of the provider's current assets and a copy of any
13 current asset management plan.

14 (f) An identification of the governing body that is
15 responsible for decisions concerning the provider's rates and
16 finances, and the individual or individuals comprising that
17 governing body.

18 (g) A list and definitions of the categories of ratepayer,
19 including commercial, residential, and nonprofit and exempt users.

20 (h) Whether the provider bills for service as a distinct line
21 item on a utility bill received by a ratepayer and, if it does,
22 whether the line item for each service appears on its own bill, on
23 a combined bill for multiple utility services, or on a property tax
24 or other nonutility bill.

25 (i) The frequency, if any, at which rates and charges are
26 revised or readopted.

27 (j) A statement of whether any volumetric or other variable
28 component of the provider's rate formula is structured as a
29 uniform, inclining block, or declining block rate.

1 (k) If the provider provides water service, the number and
2 percentage of both of the following:

3 (i) Retail water service connections without meters, broken
4 down by categories of ratepayer.

5 (ii) Metered retail water ratepayer bills based on an estimate
6 rather than an actual meter reading, broken down by categories of
7 ratepayer as of July 1, or any other date established by the
8 department.

9 (l) If the provider provides sewerage or stormwater management
10 service and the rate for that service includes a volumetric or
11 other variable component, the method used to determine the quantity
12 of usage for which a ratepayer is billed for that service as of
13 July 1, or any other date established by the department.

14 (m) The frequency of ratepayer billing, by category of
15 ratepayer.

16 (n) The median and average monthly usage for retail, single-
17 family residential accounts and, to the extent possible, for retail
18 accounts serving 2-, 3-, and 4-family dwellings, respectively.

19 (o) The rate for a retail residential ratepayer using 1,000
20 cubic feet per month, 1,500 cubic feet per month, and 3,000 cubic
21 feet per month.

22 (p) The process by which the rates and charges under
23 subdivision (c) were determined, including, at a minimum, all of
24 the following:

25 (i) Whether the provider publishes public notice of proposed
26 changes in rates and charges and, if so, how many days' notice is
27 provided before the date on which a decision on the proposal is
28 scheduled.

29 (ii) Whether the provider holds a public hearing on proposed

1 rate changes.

2 (iii) The method of notifying ratepayers when a rate change is
3 adopted.

4 (q) The number of proceedings initiated to foreclose on
5 residential properties due to nonpayment of utility bills, and the
6 aggregate value of the arrearages requested for recovery.

7 (r) The number of foreclosures on residential properties due
8 to nonpayment of utility bills that were completed, the source of
9 reimbursement collected from a completed foreclosure, and the
10 aggregate net revenue recovered from completed foreclosures, minus
11 the provider's costs for foreclosure proceedings.

12 (s) The number and aggregate dollar value of liens recorded
13 for unpaid utility bills.

14 (t) The dollar value of other forms of debt collection actions
15 other than shutoffs, liens, or foreclosures.

16 (u) The following information regarding the provider's
17 revenues, arrearages, and expenses:

18 (i) Total dollar amounts billed, including any distinctions
19 between ratepayer bills and other identified sources of revenue,
20 among categories of ratepayer, and between retail and wholesale
21 ratepayers. Information required under this subparagraph must
22 include a breakdown of amounts collected from base charges and any
23 fees, penalties, or interest.

24 (ii) Total revenues collected, including any distinctions
25 between ratepayer utility bills and other identified sources of
26 revenue, among categories of ratepayer, and between retail and
27 wholesale ratepayers.

28 (iii) The number of ratepayers required to pay a deposit to
29 initiate water or sewerage service, the number of these ratepayers

1 who paid the deposit, the number of these ratepayers who did not
2 pay the deposit, and the number of these ratepayers who used other
3 means to demonstrate creditworthiness.

4 (iv) An itemized list of the dollar value of each federal or
5 state grant for capital improvements that the provider applied for
6 or received.

7 (v) An itemized list of the dollar value of each federal or
8 state loan for capital improvements that the provider applied for
9 or received.

10 (vi) The dollar value of any municipal bond revenues raised for
11 capital improvements.

12 (vii) The dollar value and source of any additional income
13 received from sources other than rates and charges for the purpose
14 of making capital improvements.

15 (viii) For each category of ratepayer, the following
16 information:

17 (A) The number of ratepayer accounts in arrears and the
18 aggregate dollar amount of those arrears, grouped by age of arrears
19 as of December 31.

20 (B) The number of accounts written off as uncollectible and
21 the total dollar value of ratepayer utility bills written off as
22 uncollectible.

23 (ix) The provider's total operating expenses.

24 (x) An itemized list of the amount of each transfer of funds
25 by the provider to other governmental accounts, including payments
26 instead of taxes, rent, service fees, and other transfers.

27 (v) The following information regarding the provider's
28 ratepayer base:

29 (i) Identification of the municipalities, or portions of

1 municipalities, that are in the provider's retail service area.

2 (ii) The total population of the provider's retail service area
3 for the most recent year for which a population estimate is
4 available.

5 (iii) The number of retail ratepayers in each rate category.

6 (iv) Identification of the municipalities, or portions of
7 municipalities, that are in the provider's wholesale service area,
8 if any.

9 (v) The total population of the provider's wholesale service
10 area, if any, for the most recent year for which a population
11 estimate is available.

12 (vi) If the provider is owned and operated by a municipality
13 and provides retail service in any areas outside of the
14 municipality's boundaries, all of the following:

15 (A) A list of the municipalities or portions of municipalities
16 that are outside of the boundaries.

17 (B) The total population served outside of the boundaries for
18 the most recent year for which a population estimate is available.

19 (C) For each category of ratepayer, the total number of
20 ratepayers served outside of the boundaries.

21 (vii) A list of any other providers that are wholesale
22 ratepayers of the provider submitting the report.

23 (viii) The provider's 10 largest retail ratepayers.

24 (ix) On the first annual report submitted under this section,
25 and once every 5 years thereafter, information on the racial and
26 other demographic composition of the population within the service
27 area.

28 (w) The following information concerning the operations of the
29 provider's system:

1 (i) If the provider operates a water system, all of the
2 following:

3 (A) The total volume of water produced in each month of the
4 year.

5 (B) The total volume of water purchased in each month of the
6 year, the amounts paid for that water, and to whom those amounts
7 were paid.

8 (C) The total volume of retail water sales, in each month of
9 the year, by category of ratepayer.

10 (D) The total volume of wholesale water sales, in each month
11 of the year, and to whom those sales were made.

12 (E) Real and apparent losses from the water distribution
13 system, calculated using the method adopted by the American Water
14 Works Association in the most recent version of "Water Audits and
15 Loss Control Programs", manual M36 and in the American Water Works
16 Association's free water audit software.

17 (F) Any utility functions or services carried out by other
18 parties under contract.

19 (ii) If the provider operates a sewerage system, all of the
20 following:

21 (A) The total flow in the system for each month of the year.

22 (B) The total volume of wastewater generated by each category
23 of ratepayer for each month of the year.

24 (C) The estimated amount of infiltration and inflow, for each
25 month of the year.

26 (D) If the provider purchases wastewater conveyance or
27 treatment services from another sewerage system under a wholesale
28 contract, the total flow conveyed or treated under the contract in
29 each month of the year, the dollar amounts paid under the contract,

1 and to whom the amounts were paid.

2 (E) If the provider provides wastewater conveyance or
3 treatment services to another sewerage system under a wholesale
4 contract, the total flow conveyed or treated under that contract in
5 each month of the year, the dollar amounts received under that
6 contract, and from whom the funds were received.

7 (F) Whether the system is a separate sanitary sewerage system
8 or a combined sanitary sewerage and stormwater system.

9 (G) Any utility functions or services carried out by other
10 parties under a contract.

11 (iii) If the provider operates a stormwater system, both of the
12 following:

13 (A) The total amount of impervious area, or other unit of
14 measure on which the provider's stormwater rates or charges are
15 based, associated with each category of ratepayer or each major
16 land use type, to the extent that the provider has access to that
17 information.

18 (B) Any utility functions or services carried out by other
19 parties under contract.

20 (x) The cost allocation method currently used by the provider,
21 including the annual amount of water and sewerage rate revenue
22 transferred to expenses other than water and sewerage expenses.

23 (y) The following information regarding each water assistance
24 or affordability program the provider offers for low-income
25 ratepayers or other ratepayers:

26 (i) The type of program.

27 (ii) The benefit level.

28 (iii) The eligibility criteria.

29 (iv) The enrollment process.

- 1 (v) The number of ratepayers enrolled.
- 2 (vi) The average payment amount made by ratepayers enrolled in
3 each program.
- 4 (vii) The aggregate dollar amount deferred in each program.
- 5 (viii) The aggregate dollar amount collected in each program.
- 6 (ix) The number of ratepayers that defaulted while enrolled in
7 each program.
- 8 (x) The funding source.
- 9 (xi) The program cost.
- 10 (xii) The program information that the provider provides to its
11 ratepayers and the means by which it provides that information.
- 12 (xiii) The total number of new deferred payment agreements
13 entered into during the year, the number of deferred payment
14 agreements completed during the year, the number of deferred
15 payment agreements that defaulted during the year, and the number
16 of deferred payment agreements that were active as of December 31.
- 17 (z) The following information concerning shutoffs that
18 occurred during the year:
- 19 (i) The total number of shutoffs and the total cost to the
20 provider to perform those shutoffs.
- 21 (ii) The number identified under subparagraph (i) broken down by
22 census tract and zip code.
- 23 (iii) The number of shutoff notices issued to occupied single-
24 family residential dwellings and occupied multifamily residential
25 dwellings, and the total cost to the provider of issuing those
26 shutoff notices.
- 27 (iv) The number identified under subparagraph (iii) broken down
28 by single-family and multifamily residential dwellings.

1 (v) The reason or reasons the shutoff notices were issued.

2 (vi) For occupied single-family residential dwellings and
3 occupied multifamily residential dwellings, respectively, the
4 number of shutoffs that occurred, the number of instances of
5 shutoff in which service was subsequently restored, and for the
6 instances in which service was restored, the median number of days
7 between shutoff and restoration of service and the number of
8 shutoffs where service was restored in 5 days or less, in 6 to 15
9 days, in 16 to 30 days, in 31 to 60 days, and in more than 60 days.

10 (vii) For occupied single-family and multifamily residential
11 dwellings, respectively, the number of ratepayer accounts that were
12 subject to 1 or more of the shutoffs identified in subparagraph (vi)
13 and the number of accounts that were subject to 1 or more of the
14 restorations of service identified in subparagraph (vi).

15 (viii) The number of shutoffs that occurred for commercial
16 ratepayers during that year, and the number of ratepayer accounts
17 that were subject to 1 or more of those shutoffs.

18 (aa) The following information concerning ratepayer accounts:

19 (i) The total number of delinquent ratepayer accounts.

20 (ii) The total number of defaulted ratepayer accounts.

21 (iii) The aggregated dollar amount of arrears on all ratepayer
22 accounts.

23 (bb) The number of residential ratepayer accounts that are
24 enrolled in a payment plan and the total dollar amount subject to a
25 payment plan as of December 31.

26 (cc) The percentage of ratepayers that defaulted on a payment
27 plan or assistance or affordability program.

28 (dd) If the provider provides stormwater management service,
29 any credits available to reduce utility bills for the stormwater

1 management service, and the criteria a ratepayer must meet to
2 qualify for the credits.

3 (ee) The link to the website described under section 5.

4 Sec. 5. A provider shall maintain and provide, at all times, a
5 website that contains all of the following:

6 (a) A current schedule of rates and charges.

7 (b) The current policies and procedures regarding shutoffs of
8 water and sewerage service.

9 (c) Information regarding payment plans that the provider
10 offers to assist ratepayers in managing arrears.

11 (d) Information on water assistance or affordability programs
12 that the provider offers to assist low-income ratepayers.

13 (e) A copy of the report under section 3.

14 Sec. 7. If a provider fails to submit the report under section
15 3, or fails to make the information under section 5 available on
16 its website, the provider is subject to having the provider's name
17 and the nature of the failure to report posted on the department's
18 website.

19 Sec. 9. A provider shall post a printed copy of the report
20 under section 3 in its offices.

21 Sec. 11. (1) The department shall develop a standardized
22 report form for use under section 3 and an online portal for
23 submitting the report.

24 (2) A provider shall submit the report under section 3 using
25 the standardized report form and online portal developed under
26 subsection (1).

27 (3) The department shall make the reports under section 3
28 publicly available on the department's website in a searchable
29 format that facilitates comparisons across providers. Individuals

- 1 must be able to download the reports in a manner that allows
- 2 individuals to perform analysis on the entire dataset.