



MICHIGAN WATER AFFORDABILITY BILL SUMMARIES

Affordability Program (Sen. Chang – SB 549; Rep. Aiyash – HB 5088)

- These bills create a low-income residential water supply affordability program within the Michigan Department of Health and Human Services (MI DHHS) so that eligible low-income residents can pay water bills that do not exceed 3% of their household's income.
- They establish two eligibility tiers: water customers at or below 135% of the federal poverty level (FPL) and customers from 136% to 200% of the FPL.
- Existing water affordability programs can continue, and new programs can be developed by water utilities if they meet the same (or better) program benefits with MI DHHS approval.
- Program administration will be carried out by third party providers such as Community Action Agencies and United Way groups at the county level.
- The 3% cap can be done with credits, discounts, or other rate reductions that can be reimbursed through the new Low-Income Water Affordability Fund (SB 550 and HB 5089 - see below).
- In addition to the 3% of income cap on water bills, the program also allows for arrearage payments on customer accounts and funds for plumbing repairs to bring down the cost of water bills from leaks, which also supports water conservation.
- The program also creates an advisory task force to be established by MI DHHS with members from municipal governments representing community populations of different sizes, advocacy groups, community action agencies, and non-profit and environmental groups.

Water Affordability Fund (Sen. Bayer – SB 550; Rep. McKinney – HB 5089)

- These bills create a new Low-Income Water Affordability Fund within the MI Department of Treasury that would be funded by a \$2 per retail account monthly charge by water utilities for all residential and non-residential customers. The per meter charge may be increased up to \$3/meter per month.
- The fund may be used to take additional appropriations, funds, and donations. Funds will be rolled over annually.
- Funds would be used to reimburse water utilities for the difference between what their eligible customers will pay (up to 3% of their household income) and what their normal bill would be.
- The funds would also be used for arrearage payments and plumbing repairs to reduce water loss that leads to higher usage costs.
- The Low-Income Water Residential Affordability Task Force will advise MI DHHS about any adjustments that need to be made to the meter charge and/or the affordability program. The Task Force will continuously review all aspects of the implementation and operation of actions called for in SB 549-554 and HB 5088-5093. It is then its responsibility to recommend changes in keeping with the intent of the laws.

Shut-Off Protections (Sen. Chang – SB 551; Rep. Aiyash – HB 5090)

- These bills protect households through clear guidelines and requirements for a water utility to consider or carry out before water shutoffs for delinquent or non-payments.
- They also create new customer categories such as “Critical Care Customers.” This category is for persons with life-threatening illnesses who are dependent on water for health treatment and care by medical providers, and who are low-income customers earning up to 200% of the FPL.
- These bills require utilities to establish procedures for contacting and communicating with customers before proceeding with a water shutoff that includes various means and efforts such as phone calls, text messages, in-person door notifications, and mailings.
- Customers who attempt to enroll in a water affordability program, who make minimum payments, and tenants who are not responsible for landlord water bills are also protected from shutoffs.
- The bills establish a new triage process where enrolled customers having difficulty paying their bills will meet with the program administrator to identify barriers to their compliance. The aim is to keep a customer compliant with program requirements by assessing additional benefit programs available to the household and restarting the program plan timeline.

Tenant Submetering (Sen. Cavanagh – SB 554; Rep. McFall – HB 5091)

These bills allow for tenants who live in dwellings that are metered or sub-metered to request that a landlord transfer within 60 days the customer account to the tenant’s name, if requested. The landlord must then also cease charging the tenant any portion of the water or sewer bill as part of the tenant’s rent. This bill would apply to future rental agreements only.

Decriminalization of Water Hook-Ups (Sen. Irwin – SB 552 and Sen. Wojno – SB; Rep. Wilson HB 5092 and Rep. McKinney HB 5093)

These bills would decriminalize the act of re-connecting water service that has been shutoff due to a customer’s inability to pay. It reduces reconnection of water service from a five-year felony to a civil infraction with community service. A fine and additional community service time may be added for repeat infractions. This would not apply in situation where, in the course of re-connection, a metering or backflow device was intentionally damaged.

Access to Water (Sen. Bayer – SB 25)

This bill creates the “Human Right to Water Act” that requires all state agencies and departments to carry out all reasonable means to review, revise, adopt and establish policies and regulations, plus grant criteria for establishing water affordability as appropriate, and to the extent that such actions do not affect federal funding eligibility.

About People’s Water Board Coalition

We are a coalition of three dozen grassroots groups, NGOs, faith-based, social justice, and community-based organizations. PWBC has been fighting since 2008 for the human right to safe, affordable water and sanitation. We believe water is part of a shared commons that is held in the public trust for the benefit of all people. Since 2015, PWBC has worked with impacted residents, advocates, and policy partners to draft policies with lawmakers to improve household water affordability and quality concerns, particularly within impacted communities. Our advocacy focuses on the kitchen table problems experienced by Michiganders when they cannot afford to pay the growing costs of water utility rates and bills, and the concerns they have about water quality from system mains and household plumbing.