

SENATE BILL NO. 550

October 03, 2023, Introduced by Senators BAYER, CHANG, CAVANAGH, WOJNO and SHINK and referred to the Committee on Housing and Human Services.

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 **program 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. The state treasurer must credit**

1 to the fund interest and earnings from fund investments.

2 (3) Money in the fund at the close of the fiscal year shall
3 remain in the fund and shall 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 shall expend money from the fund, upon
7 appropriation, only for 1 or more of the following purposes:

8 (a) 3% of the fund to the department for administrative costs
9 of the low-income water residential affordability program.

10 (b) The remaining balance of the fund to providers for the
11 following:

12 (i) The actual administrative costs associated with the
13 implementation of the low-income water residential affordability
14 program, not to exceed 15 percent.

15 (ii) Payment or advancement to providers for income-based bill
16 discounts, income-based bill caps, or income-based rates.

17 (iii) Arrearage payments.

18 (iv) Water loss mitigation programs administered by third party
19 organizations such as home plumbing audits and minor plumbing
20 repairs.

21 (6) Subject to subsection (5) (b), benefits shall be provided
22 to eligible customers for a low-income water residential
23 affordability program offered by the department or the provider in
24 accordance with sections 14n through 14u. Not less than 80% of the
25 funding received by a provider shall be spent as described in
26 subsection (5) (b) (ii) unless otherwise approved by the department.

27 (7) The department shall disburse funding from the low-income
28 water residential affordability program fund to providers on a
29 frequency of not less than quarterly for the items listed in

1 subsection (5) (b) .

2 (8) Subject to the limitations imposed in this section, the
3 low-income water residential affordability funding factor shall be
4 a fee of \$2.00 per month per retail water meter, or the equivalent
5 based on the provider's billing cycle.

6 (9) After 3 years, the department of treasury may adjust the
7 funding factor annually based on recommendations from the task
8 force.

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

12 (11) Any adjustment to the funding factor shall be determined
13 by the department of treasury no later than October 1 and takes
14 effect on January 1 of the succeeding year.

15 (12) The affordability funding factor shall be considered as
16 part of the total bill for the purposes of considering water
17 affordability based on household income caps in low-income water
18 residential affordability programs outlined in sections 14n through
19 14s.

20 (13) Providers shall include the low-income water residential
21 affordability funding factor on all retail water bills. Providers
22 may list the low-income water residential affordability funding
23 factor as a separate line item on residential customer bills or
24 incorporate the funding factor into their retail water rates.
25 Payment for services collected by providers shall first be applied
26 to satisfy this subsection and shall be remitted to the state
27 treasurer for deposit in the fund on a regular cycle that matches
28 the remitting providers' billing cycle but not later than 30 days
29 after the last day of the billing cycle.

1 (14) After the first full year of collection, by April 1, the
2 provider shall be required to annually provide to the low-income
3 water residential affordability program task force the following
4 information regarding the low-income water residential
5 affordability funding factor:

6 (a) The number of retail water meters for which a bill was
7 sent subject to the low-income water residential affordability
8 funding factor on June 30 and December 31 of the previous calendar
9 year.

10 (b) The total amount of money collected by the provider from
11 the low-income water residential affordability funding factor.

12 (c) The total amount of money not collected by the provider
13 from the low-income water residential affordability funding factor.

14 (d) The total amount of money remitted by the provider to the
15 state treasurer from the low-income water residential affordability
16 funding factor.

17 (e) The total amount of administrative costs associated with
18 administering or implementing the low-income water residential
19 affordability program.

20 (15) By July 1 of each year, the task force shall annually
21 provide a report to the legislature and post that report on the
22 department's website. The report shall include the following:

23 (a) The information collected under subsection (9).

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

25 (c) Any recommended adjustments to the low-income water
26 residential affordability program or fund.

27 (d) The total amount of administrative costs associated with
28 administering or implementing the low-income water residential
29 affordability program.

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

3 (17) The attorney general may enforce this section against a
4 provider that fails to include the low-income water residential
5 affordability funding factor on all retail water bills or remit the
6 money collected from the affordability funding factor by filing a
7 civil action in the circuit court in the county where the provider
8 does business. Subject to this subsection, a provider is not
9 subject to liability for the affordability funding factor fees
10 included on retail water bills but not collected through the
11 provider's normal business practices.

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

17 (19) As used in this section:

18 (a) "Department" means the department of health and human
19 services.

20 (b) "Fund" means the low-income water affordability fund
21 created in subsection (1).

22 (c) "Low-income water residential affordability funding
23 factor" or "affordability funding factor" means a mandatory fee on
24 each retail water meter payable by every customer receiving water
25 or sewerage service from a provider.

26 (d) "Provider" means any public or private water system that
27 provides retail water service in this state.

28 (e) "Task force" means the task force created in section 14q.
29 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 102nd Legislature are
2 enacted into law:

3 (a) Senate Bill No. 551.

4

5 (b) Senate Bill No. 549.

6