



Senate Fiscal Agency
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Senate Bill 241 (as discharged)
Sponsor: Senator Stephanie Chang
Committee: Environmental Quality (discharged)

CONTENT

The bill would create the "Water Shutoff Protection Act", which would do the following:

- Prescribe circumstances under which a water or sewerage service provider could shut off service temporarily and require the provider to leave a notice at the premises that had the service shut off.
- Prohibit a provider from shutting off service because a customer had not paid a delinquent account unless the provider followed the notice procedures prescribed by the bill.
- Require a shutoff notice from a provider to include a statement that, if the customer were unable to pay in full, the customer would have the right to enter into a payment plan that was based on a percentage of household income or a water affordability program.
- Require a provider to delay shutoff of service to a customer for 30 days if the customer submitted a signed nonaffordability application (provided by the Michigan Department of Health and Human Services) indicating the reasons or conditions that affected the customer's ability to afford the payments.
- Specify that shutoffs could occur only between 8 AM and 3 PM.
- Specify the circumstances under which a provider could not shut off service.
- Require a provider to restore service upon the customer's request when the cause of the shutoff had been cured or payment arrangements had been made.
- Allow a provider to assess the customer a reasonable charge for restoring service, but not more than \$150 or the actual cost, whichever was less.
- Prohibit a provider from shutting off service to a customer for nonpayment of a delinquent account if the customer met certain conditions.
- Specify that, if a customer failed to comply with the terms and conditions of a water affordability program or payment plan, a provider could shut off service to the customer after providing a notice that included specific information.
- Require a provider to develop policies and procedures to delay shutoff for customers who faced temporary financial hardship due to recent loss of a job, medical bills, or other extenuating circumstances.
- Allow the Attorney General, the Department of Environment, Great Lakes, and Energy (EGLE), and any customer or other lawful occupant of a premises subject to the bill to enforce it by filing a civil action.
- Require a provider to take reasonable steps to provide equal language access to water and sewerage service and vital information for customers with limited English proficiency.

Legislative Analyst: Dana Adams

FISCAL IMPACT

Given the large number of local units of government that provide water and sewerage services in the State and uncertainty over whether their current shutoff policies and procedures meet the criteria for water and sewerage shutoff as required under the bill, the fiscal impact on

these providers would be uncertain. To the extent that current water and sewerage providers do not meet the shutoff criteria specified under the bill, there could be a fiscal impact on these providers. As water and sewerage providers are rate-based utilities, any increased cost to these providers likely would be passed along to current rate payers. The bill would have no fiscal impact on the Department of Health and Human Services.

The bill would allow the Attorney General or EGLE to take civil action in court to obtain relief for customers affected by a shutoff notice. It is likely that this role for either the Attorney General or EGLE would come at some cost if either entity opted to take this role. As the bill does not specify a funding mechanism for this role, the cost would be limited to existing resources that could be used for this purpose, or some additional appropriation from the Legislature. The bill would not require either entity to take this role, however, so the direct fiscal impact on the Attorney General and EGLE in this regard would be neutral.

Date Completed: 12-10-20

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