

## WATER SHUTOFF RESTORATION ACT

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<http://www.house.mi.gov/hfa>

**Senate Bill 241 (S-2) as passed by the Senate**

**Sponsor: Sen. Stephanie Chang**

**House Committee: [Pending]**

**Senate Committee: Environmental Quality [Discharged]**

**Complete to 12-14-20**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 252 of 2020)*

### SUMMARY:

Senate Bill 241 would create a new act, the Water Shutoff Restoration Act, which would prohibit a public water supply from shutting off water service to an occupied residence for nonpayment, require water service to be restored in some circumstances, and impose other duties on public water supplies. The new act would be repealed March 31, 2021.

Specifically, the bill would prohibit a *public water supply* from shutting off water service to an occupied residence due to nonpayment. The bill would also require a public water supply to restore water service to any occupied residence where it has been shut off for nonpayment unless doing so would create a risk to public health due to an improper cross-connection.

*Public water supply* would mean a waterworks system that provides water for drinking or household purposes to persons other than the supplier of the water. It would not include either a waterworks system that supplies water to only one living unit or a waterworks system that consists solely of customer site piping.

A public water service would have to immediately make best efforts to determine the occupied residences in its service area that do not have water service. In cases where water service was shut off for a reason other than nonpayment or where reconnection would create a risk to public health due to an improper cross-connection, it would have to make best efforts to remedy those conditions and restore water service to those occupied residences as soon as possible.

If a public water supply used water shutoffs as a remedy for nonpayment in the year before the bill's effective date and has not submitted a report containing all of the following to the State of Michigan Emergency Operations Center (SEOC)<sup>1</sup> before that date, it would have to submit a supplemental report to the SEOC every 30 days until it submitted a report containing all of the following:

- An account of efforts to determine the occupied residences in its service area that do not have water service.
- The number of occupied residences in its service area that do not have water service because of nonpayment and the number of them without service for any other reason.
- A certification, if true, of the following:
  - That best efforts have been made to determine the occupied residences in the service area that do not have water service.
  - That, to the best of the public water supply's knowledge, no occupied residences have their water service shut off due to nonpayment.

<sup>1</sup> [https://www.michigan.gov/msp/0,4643,7-123-72297\\_60152\\_68994\\_68998\\_68999-311303--,00.html](https://www.michigan.gov/msp/0,4643,7-123-72297_60152_68994_68998_68999-311303--,00.html)

- That the public water supply has reconnected water service for all occupied residences that can be reconnected without creating a potential public health risk.
- That the public water supply has made best efforts to remedy the conditions that prevent reconnection due to a public health risk.

The bill states that it would not abrogate the obligation of a resident to pay for water, prevent a public water supply from charging any customer for water service, or reduce the amount a resident may owe a public water supply.

As noted above, the new act would be repealed effective March 31, 2021.

#### **FISCAL IMPACT:**

Senate Bill 241 is unlikely to directly affect costs or revenues for the Department of Environment, Great Lakes, and Energy. The bill may increase costs for local governments that own or operate public water supplies by requiring those supplies to continue service to occupied residences with unpaid water bills. Supplies are currently able to shut off service for nonpayment, thereby saving water provision costs until the nonpayment in question is settled. It is difficult to determine the extent of this cost increase, as nonpayment is likely to vary over time and by supply. The bill may not directly affect revenues for local governments that own or operate public water supplies since it does not abrogate the respective payment obligations of water supply consumers. Public water supplies pay annual fees to the state in accordance with the Safe Drinking Water Act (1976 PA 399), and fee rates are set in statute (MCL 325.1011). The department uses this revenue to primarily support regulatory oversight of public water supply systems and to provide funding to local public health departments to monitor noncommunity public water supplies. These fees usually generate about \$5.0 million in annual revenue.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.