

SENATE BILL NO. 271

April 17, 2019, Introduced by Senators HOLLIER, ALEXANDER, BULLOCK, WOJNO, SANTANA, MOSS, IRWIN, POLEHANKI, MCMORROW and CHANG and referred to the Committee on Local Government.

A bill to amend 1939 PA 178, entitled

"An act to provide for the collection of water or sewage system rates, assessments, charges, or rentals; and to provide a lien for water or sewage system services furnished by municipalities as defined by this act,"

by amending the title and section 6 (MCL 123.166), as amended by 1981 PA 132, and by adding sections 1a, 1b, 1c, 1d, and 1e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to provide for the collection of water or sewage system
3 rates, assessments, charges, or rentals; ~~and to provide for the~~
4 **powers and duties of certain municipal officers and entities;** to
5 provide a lien for water or sewage system services furnished by
6 municipalities as defined by this act; **and to prescribe civil**
7 **remedies for violation of this act.**

8 Sec. 1a. (1) A municipality that owns or operates a water
9 distribution system or a sewage system and that provides water or
10 sewerage service in this state shall not require a customer to
11 provide his or her Social Security number in order to open a
12 customer account.

13 (2) Regardless of whether a customer's account for water or
14 sewerage service is current or delinquent, a municipality that owns
15 or operates a water distribution system or a sewage system and that
16 provides water or sewerage service in this state shall bill each
17 customer of the system on a regular monthly basis.

18 (3) A municipality shall not send an estimated bill for water
19 or sewerage service to a customer more than twice a year. As used
20 in this subsection, "estimated bill" means a bill for water or
21 sewerage service at the premises that is not based on a meter
22 reading of a customer's actual water or sewerage usage for the
23 period being billed.

24 (4) A municipality that owns or operates a water distribution
25 system or a sewage system and that provides water or sewerage
26 service in this state shall include, at a minimum, on each
27 customer's water or sewerage bill all of the following:

28 (a) The units of consumption in which the bill is calculated.
29 If the units of consumption are not expressed in gallons, a

1 conversion factor to gallons must be provided on the bill.

2 (b) The water or sewerage rates and charges for each component
3 of the bill.

4 (c) The actual amount owed to the municipality for water or
5 sewerage service under any existing payment plan.

6 (5) A municipality that owns or operates a water distribution
7 system or a sewage system and that provides water or sewerage
8 service in this state shall advertise to customers, by posting on
9 the municipality's website, and provide written notice to each
10 customer at least once each year that all customers have the option
11 to do, at a minimum, 1 or more of the following at no additional
12 cost to the customer:

13 (a) Pay the water or sewerage bill online.

14 (b) Pick a billing due date.

15 (c) Select levelized billing. If a customer selects levelized
16 billing, the customer's monthly bill must still indicate water or
17 sewerage usage for each month and how that usage compares to prior
18 monthly usage. As used in this subdivision, "levelized billing"
19 means each monthly bill is the rolling average of a customer's
20 water or sewerage usage for the most recent 12 months.

21 (6) A customer of a municipality that provides water or
22 sewerage service is not responsible for any water or sewerage usage
23 for a billing period if that water or sewerage usage is not billed
24 to that customer by the municipality within 10 days after the end
25 of the billing period.

26 (7) A municipality that owns or operates a water distribution
27 system or a sewage system and that provides water or sewerage
28 service in this state shall not do any of the following:

29 (a) Charge any additional fee to a customer based on the

1 customer's method of payment.

2 (b) Assess any fee or charge upon a residential customer as a
3 penalty.

4 (c) Charge interest to a customer for past-due amounts at a
5 rate greater than 4.0% per year.

6 (8) If the customer of a municipality that provides water or
7 sewerage service is an eligible customer, that customer must
8 receive from the municipality a complete waiver of any fees
9 associated with any late payments or restoration of service, and
10 that customer is not required to make any deposit to receive water
11 or sewerage service from the municipality. As used in this
12 subsection, "eligible customer" means a customer whose household
13 income does not exceed 200% of the federal poverty guidelines, as
14 published by the United States Department of Health and Human
15 Services, or who meets any of the following requirements:

16 (a) Has received assistance from a state emergency relief
17 program within the past year.

18 (b) Receives food assistance under the federal supplemental
19 nutrition assistance program administered by this state.

20 (c) Receives medical assistance administered by this state
21 under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

22 (d) Receives any other form of federal or state public
23 assistance.

24 (9) If the customer of a municipality that provides water or
25 sewerage service is in a household that has a household income of
26 between 200% and 300% of the federal poverty guidelines, as
27 published by the United States Department of Health and Human
28 Services, that customer is eligible for a partial waiver of any fee
29 associated with any late payments or restoration of service, or a

1 partial waiver of any deposit, as determined by the municipality.

2 (10) This section takes effect January 1, 2021.

3 Sec. 1b. (1) A municipality that owns or operates a water
4 distribution system or a sewage system and that provides water or
5 sewerage service in this state shall adopt a dispute resolution
6 process for a customer to dispute a water or sewerage service bill
7 and that municipality shall post the dispute resolution process on
8 its website.

9 (2) At least once each year, a municipality that owns or
10 operates a water distribution system or a sewage system and that
11 provides water or sewerage service in this state shall provide in
12 writing to each of its customers the dispute resolution process
13 adopted under subsection (1) for disputing a water or sewerage
14 service bill.

15 Sec. 1c. (1) If the customer of a municipality that owns or
16 operates a water distribution system or a sewage system and that
17 provides water or sewerage service in this state disputes a water
18 or sewerage service bill using the dispute resolution process
19 adopted by that municipality under section 1b, all of the following
20 apply:

21 (a) The customer is not required to pay the municipality the
22 disputed amount during the dispute resolution process.

23 (b) Interest does not accrue on that customer's water or
24 sewerage service balance during the dispute resolution process.

25 (c) The municipality shall not discontinue water service or
26 sewage system service to the customer's premises during the dispute
27 resolution process.

28 (2) Any costs associated with a dispute resolution process for
29 the first dispute between a customer and the municipality in a

1 calendar year are to be borne by the municipality. Except as
2 otherwise provided in this subsection, for a second or subsequent
3 dispute between a customer and the municipality in a calendar year,
4 the municipality may charge the customer for up to 50% of the costs
5 associated with the dispute resolution process. If a dispute
6 resolution process determines that the municipality's process or
7 equipment was in error, any costs associated with the dispute
8 resolution process are to be borne by the municipality.

9 Sec. 1d. (1) Each municipality that owns or operates a water
10 distribution system or a sewage system and that provides water or
11 sewerage service in this state shall give notice to a retail
12 customer of that municipality if the municipality obtains
13 information indicating that a leak may exist on the customer's side
14 of the water service meter.

15 (2) Each municipality that owns or operates a water
16 distribution system or a sewage system and that provides water or
17 sewerage service in this state shall monitor its systems at least
18 annually to detect customer-side leaks by conducting 1 or more of
19 the following:

20 (a) Acoustic monitoring of customer water meters, and if leak
21 sounds are detected, the municipality must check connection points
22 on both the municipality side and the customer side of the meter.

23 (b) Onsite meter reading comparisons of current and prior
24 meter readings to identify atypical water usage.

25 (c) Customer bill analysis to detect anomalies in bills or
26 consumption levels that may be indicative of leakage.

27 (d) Any other method of review that is submitted to and
28 approved by the department of environmental quality.

29 (3) If information obtained by the municipality under

1 subsection (2) indicates that a water leak may exist, the
2 municipality shall alert the customer to the possible leak by
3 placing a door hanger at the customer's premises, or by any other
4 contact method including, but not limited to, written notice,
5 telephone, or electronic mail.

6 (4) If, after notice of a possible leak under subsection (3)
7 is provided, water consumption by the customer is not reduced
8 during the next routine meter read, the municipality shall alert
9 the customer again in any manner provided in subsection (3).

10 (5) Any notice provided by a municipality under subsection (3)
11 or (4) must advise the customer that it is the customer's
12 responsibility to fix any water leak, but the municipality may
13 provide to the customer any guidance or assistance needed for
14 repairing the water leak.

15 Sec. 1e. (1) The attorney general, the department of
16 environmental quality, or any customer or lawful occupant of a
17 customer's premises subject to this act may enforce sections 1a,
18 1b, 1c, or 1d by filing a civil action in a court of appropriate
19 jurisdiction for injunctive relief, declaratory relief, or actual
20 damages, or any combination of injunctive relief, declaratory
21 relief, or actual damages.

22 (2) A court rendering a judgment in an action brought under
23 subsection (1) may award all or a portion of the costs of
24 litigation, including reasonable attorney fees, to the complainant
25 if the court determines that the award is appropriate.

26 Sec. 6. ~~A~~ Subject to section 1c(1), a municipality may
27 discontinue water service or sewage system service from the
28 premises against which the lien created by this act has accrued if
29 a person fails to pay the rates, assessments, charges, or rentals

1 for the respective service, or may institute an action for the
2 collection of the ~~same~~ **rates, assessments, charges, or rentals for**
3 **the respective service** in any court of competent jurisdiction.
4 However, a municipality's attempt to collect these sewage system or
5 water rates, assessments, charges, or rentals by any process ~~shall~~
6 **does** not invalidate or waive the lien upon the premises.