

SUMMARY OF 2025 WATER AFFORDABILITY BILLS

Water Affordability Program – SB248

- Covers water, sewerage, and drainage if billed by water provider.
- Two tiers of payments based on income – up to 135% of FPL/up to 200% FPL.
- Customer payment not to exceed 2% of average household income in first tier; 3% of average household income in second tier.
- Arrearage forgiveness of \$1,500 first year, another \$1,500, if needed, in second year.
- No shut off if enrolled in program or on payment plan.
- Dept of Treasury prepares annual projections starting in 2026.
- Definition of “provider” includes utilities that supply and/or perform retail billing for other communities.
- Customers default to State program unless water provider wants to fund/administer its own plan; two or more providers may implement a shared program.
- If a provider administers its own plan, the plan must comply with the parameters of statewide plan and receive DHHS approval.
- Waiver process to be established for households with hardships at 200-250% of FPL so they can participate in program.
- Information about affordability program can be on bills or *with* bills.
- Arrearages payable upon enrollment; third party administrator notifies water provider within 3 business days that applicant is under review and shut off not allowed.
- If funding is insufficient, available fund distribution should prioritize all enrollees equitably across geographic region and population sizes.
- Only licensed plumbers may be used for minor plumbing repairs; only owner-occupied homes are eligible for plumbing repairs if enrolled in program.
- A base allocation of water usage per month:
 - households with 0 to 4 people, 6 to 8 ccf;
 - households with 5 to 6 people, 9 to 11 ccf;
 - households with 7 to 8 people, 12 to 14 ccf;
 - households with 9 to 10 people, 15 to 17 ccf; and
 - households with 11 or more people, 18 to 20 ccf.

If the eligible customer exceeds the base allocation, the water provider shall charge their normal rate for excess. If a household exceeds its limit, then the third-party administrator takes steps to reduce consumption.

- DHHS refers to MEAP Manual and looks at SNAP and other programs’ redetermination processes and timelines in creating those for this program.
- DHHS engages in public relations activities to promote the affordability program.
- State law takes precedence over conflicting local ordinances.

Water Affordability Fund – SB250

- \$1.25 per meter charge/monthly/all customers; or the monthly billing equivalent.
- Prescribes administrative fees, no lapse to general fund.
- Covers gap payments, arrearages and plumbing repairs.
- Amount of fund that can be used for plumbing repairs capped at \$15M/year.
- Money collected from the fees within each DHHS business service center region must be disbursed to providers and program administrators within that same region.
- Data on participation to be collected biannually.
- \$1.25 monthly fee on metered or flat rate accounts excludes fire line and irrigation accounts.
- Definition of “provider” includes utilities that supply and/or perform retail billing for other communities.
- Locally administered programs can seek alternate funding mechanisms to supplement programs.
- If water provider has a preexisting water affordability or assistance program, the water provider may charge: (1) the full funding factor, (2) provider’s monthly fee minus the average amount customers in that service area paid into preexisting program the previous year, OR (3) the full funding factor less 10% if the provider had a fee or funding mechanism in the previous year.
- DHHS administers the fund for auditing purposes.
- Department can reduce the funding factor if there are enough funds for 3 years.
- Payments made to a provider from fund are exempt from levy, attachment, garnishment, etc. or any other process to collect debt.

Shutoff Protection – SB252

- Notice provisions prior to shutoff for nonpayment shall be on bills, door hanger, home visit, calls, and/or texts.
- Must apply for a program or payment plan to prevent shut off.
- Shut offs on certain days/times – restoration must be prompt.
- Critical care customers protected.
- If customer fails to comply with program rules, triage process established to provide wraparound services before unenrollment.
- If unlawfully occupied, owner can request water shutoff.
- If water is shut-off for public health reasons, the public must be notified consistent with Michigan Safe Drinking Water Act.
- Three notifications to customer facing shutoff.
- Protections for tenants if landlord/owner is responsible for paying water bill but fails to do so: tenant provides copy of lease to water provider; no shut off allowed; water provider may still collect from owner under Municipal Water Liens Act.

Creation of Low-Income Water Residential Affordability Program Task Force – SB249

- Task force established to make recommendations to the State regarding administration of plan, benefits, or funding.
- Comprised of representatives from different size communities—rural, suburban, and urban areas.
- Task force may review and revise base allocation water usage limits.
- Develop educational outreach materials.
- Explore ways to expand programming.

Illegal reconnections – SB255

- Reduction from felony to misdemeanor for illegal turn-ons at low-income homes whose account holder could not pay.
- Affected household with illegal reconnection after shut-off referred to the low-income water affordability program if eligible.
- Reduction of the community service hours penalty.

Tenant Right to Copy of Landlord Water Bill – SB253

- Request may be made to send water bills to both landlord and tenant.