

# SENATE BILL NO. 348

March 25, 2021, Introduced by Senators HOLLIER 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:**

## TITLE

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

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

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

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

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

(a) The units of consumption in which the bill is calculated. 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, 2023.

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 environment, Great Lakes, and energy.

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 email.

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 environment, Great Lakes, and energy, or any customer or lawful  
17 occupant of a customer's premises subject to this act may enforce  
18 sections 1a, 1b, 1c, or 1d by filing a civil action in a court of  
19 appropriate jurisdiction for injunctive relief, declaratory relief,  
20 or actual damages, or any combination of injunctive relief,  
21 declaratory 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.