

HOUSE BILL 918

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By: Delegates M. Washington, Angel, Brooks, Conaway, Frush, Glenn, Haynes, Hettleman, C. Howard, Lam, Lewis, Lierman, Moon, Morhaim, Pena-Melnyk, Platt, Queen, and Tarlau

Introduced and read first time: February 6, 2017

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Water Services – Water Affordability Program**

3 FOR the purpose of requiring a provider of certain types of water services to establish a
4 certain water affordability program; requiring a provider to establish a plan for
5 implementing a water affordability program on or before a certain date; requiring
6 the program to go into effect on or before a certain date; requiring a provider to
7 establish a certain annual cap on certain charges the provider assesses to certain
8 customers; authorizing a provider to require a customer to submit certain
9 documentation in order to participate in the program or continue participation in the
10 program; requiring a customer to consent to a certain review in order to participate
11 in the program, subject to certain exceptions; requiring a provider to determine
12 whether the program or other certain programs or discounts will offer the customer
13 the most affordable bill when a customer requests to participate or is continuing
14 participation in the program; requiring a provider to offer a customer the most
15 affordable program or discount as determined under this Act; establishing that a
16 customer's payment under a program satisfies certain charges; requiring that a
17 customer's certain arrears be adjusted to comply with a certain annual cap; requiring
18 a provider to restore terminated water service to a certain customer; authorizing a
19 provider to recover certain net costs associated with administering a program;
20 prohibiting a certain fixed fee for residential customers who are not participating in
21 the program from exceeding a certain amount; requiring each provider to make a
22 certain report to the General Assembly on or before a certain date and with a certain
23 frequency; specifying the contents of the report; providing that this Act does not
24 preempt a local government from establishing a certain program; defining certain
25 terms; and generally relating to water affordability programs.

26 BY adding to
27 Article – Environment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 9–2A–01 through 9–2A–10 to be under the new subtitle “Subtitle 2A. Water
2 Affordability Program”
3 Annotated Code of Maryland
4 (2014 Replacement Volume and 2016 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – Environment**

8 **SUBTITLE 2A. WATER AFFORDABILITY PROGRAM.**

9 **9–2A–01.**

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) “CUSTOMER” MEANS A PERSON:

13 (1) WHO RECEIVES WATER SERVICE FROM A PROVIDER; AND

14 (2) (I) WHOSE HOUSEHOLD INCOME IS 150% OR LESS OF THE
15 FEDERAL POVERTY LEVEL MOST RECENTLY PUBLISHED BY THE U.S. DEPARTMENT
16 OF HEALTH AND HUMAN SERVICES; OR

17 (II) WHO THE PROVIDER DETERMINES IS FACING A FINANCIAL
18 HARDSHIP OR OTHER EXTENUATING CIRCUMSTANCE.

19 (C) “PROVIDER” MEANS ANY ENTITY THAT USES A PUBLIC RIGHT–OF–WAY
20 TO PROVIDE ONE OF THE FOLLOWING TYPES OF WATER SERVICE TO AT LEAST 100
21 RETAIL CUSTOMERS:

22 (1) PIPED CENTRALIZED WATER SERVICE TO RETAIL CUSTOMERS;

23 (2) WASTEWATER SERVICE TO RETAIL CUSTOMERS; OR

24 (3) STORMWATER SERVICE TO RETAIL CUSTOMERS.

25 **9–2A–02.**

26 (A) EACH PROVIDER SHALL ESTABLISH A WATER AFFORDABILITY
27 PROGRAM THAT PLACES AN ANNUAL CAP ON THE CHARGES A PROVIDER MAY ASSESS
28 FOR WATER SERVICES OFFERED TO A CUSTOMER, REGARDLESS OF WHETHER THE
29 CHARGE FOR THE WATER SERVICE IS COLLECTED BY:

1 (1) AN ANNUAL TAX LEVY;

2 (2) A RATE;

3 (3) A CHARGE;

4 (4) A FEE;

5 (5) AN ASSESSMENT; OR

6 (6) ANY OTHER COLLECTION MECHANISM.

7 (B) EACH PROVIDER SHALL ESTABLISH A PLAN FOR IMPLEMENTING A
8 WATER AFFORDABILITY PROGRAM ON OR BEFORE JULY 1, 2018.

9 (C) THE WATER AFFORDABILITY PROGRAM SHALL GO INTO EFFECT ON OR
10 BEFORE JULY 1, 2019.

11 **9-2A-03.**

12 (A) A PROVIDER SHALL ESTABLISH AN ANNUAL CAP ON THE CHARGES THE
13 PROVIDER ASSESSES TO A CUSTOMER FOR THE PROVIDER'S WATER SERVICES.

14 (B) THE CHARGES ASSESSED UNDER AN ANNUAL CAP ESTABLISHED UNDER
15 SUBSECTION (A) OF THIS SECTION MAY NOT EXCEED 3% OF THE CUSTOMER'S
16 ANNUAL HOUSEHOLD INCOME.

17 **9-2A-04.**

18 (A) AS A CONDITION FOR PARTICIPATION IN A PROVIDER'S WATER
19 AFFORDABILITY PROGRAM, THE PROVIDER MAY REQUIRE THAT A CUSTOMER
20 PROVIDE DOCUMENTATION IN ORDER TO VERIFY THAT THE CUSTOMER MEETS THE
21 DEFINITION OF "CUSTOMER" UNDER § 9-2A-01 OF THIS SUBTITLE.

22 (B) IF A PROVIDER REQUIRES THAT A CUSTOMER PROVIDE
23 DOCUMENTATION UNDER SUBSECTION (A) OF THIS SECTION, THE PROVIDER SHALL
24 PROVIDE ADEQUATE NOTICE EVERY YEAR TO A CUSTOMER PARTICIPATING IN THE
25 PROVIDER'S WATER AFFORDABILITY PROGRAM THAT THE CUSTOMER MUST
26 PROVIDE DOCUMENTATION TO CONTINUE PARTICIPATION IN THE WATER
27 AFFORDABILITY PROGRAM.

28 **9-2A-05.**

1 **(A) TO PARTICIPATE IN A PROVIDER'S WATER AFFORDABILITY PROGRAM, A**
2 **CUSTOMER SHALL CONSENT TO AN ENERGY- AND WATER-USE REVIEW BY AN**
3 **ENERGY OR WATER AGENCY AUTHORIZED BY THE STATE.**

4 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
5 **FAILURE TO CONSENT TO AN ENERGY- AND WATER-USE REVIEW MAY RESULT IN THE**
6 **CUSTOMER'S EXCLUSION FROM PARTICIPATION IN THE WATER AFFORDABILITY**
7 **PROGRAM FOR THE FOLLOWING YEAR.**

8 **(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A**
9 **CUSTOMER IS NOT REQUIRED TO CONSENT TO AN ENERGY- AND WATER-USE**
10 **REVIEW AS A CONDITION FOR PARTICIPATING IN A PROVIDER'S WATER**
11 **AFFORDABILITY PROGRAM IF:**

12 **(I) THE CUSTOMER'S LANDLORD REFUSES TO ALLOW THE**
13 **ENERGY- AND WATER-USE REVIEW; OR**

14 **(II) THE CUSTOMER FAILS TO PROVIDE MATCHING FUNDS FOR**
15 **THE ENERGY- AND WATER-USE REVIEW.**

16 **9-2A-06.**

17 **(A) (1) WHEN A CUSTOMER REQUESTS TO PARTICIPATE IN A PROVIDER'S**
18 **WATER AFFORDABILITY PROGRAM, THE PROVIDER SHALL DETERMINE WHETHER**
19 **THE WATER AFFORDABILITY PROGRAM OR A DIFFERENT PROVIDER PROGRAM OR**
20 **DISCOUNT WILL OFFER THE CUSTOMER THE MOST AFFORDABLE BILL.**

21 **(2) THE PROVIDER SHALL OFFER THE CUSTOMER THE MOST**
22 **AFFORDABLE PROGRAM OR DISCOUNT AS DETERMINED UNDER PARAGRAPH (1) OF**
23 **THIS SUBSECTION.**

24 **(B) (1) WHEN A PROVIDER VERIFIES A CUSTOMER'S HOUSEHOLD INCOME**
25 **OR FINANCIAL HARDSHIP FOR CONTINUED PARTICIPATION IN THE PROVIDER'S**
26 **WATER AFFORDABILITY PROGRAM UNDER § 9-2A-04(B) OF THIS SUBTITLE, THE**
27 **PROVIDER SHALL DETERMINE WHETHER THE ANNUAL CAP OR A DIFFERENT**
28 **PROVIDER PROGRAM OR DISCOUNT WILL OFFER THE CUSTOMER THE MOST**
29 **AFFORDABLE BILL.**

30 **(2) THE PROVIDER SHALL OFFER THE CUSTOMER THE MOST**
31 **AFFORDABLE PROGRAM OR DISCOUNT AS DETERMINED UNDER PARAGRAPH (1) OF**
32 **THIS SUBSECTION.**

1 **9-2A-07.**

2 (A) A CUSTOMER'S PAYMENT UNDER A WATER AFFORDABILITY PROGRAM
3 SHALL SATISFY ALL OF A PROVIDER'S SERVICES AND CHARGES FOR THE GIVEN
4 BILLING PERIOD.

5 (B) PAYMENT FOR ANY PRIOR ARREARS THAT A CUSTOMER OWES TO A
6 PROVIDER SHALL BE ADJUSTED TO COMPLY WITH THE ANNUAL CAP SPECIFIED
7 UNDER § 9-2A-03 OF THIS SUBTITLE.

8 (C) A PROVIDER SHALL RESTORE TERMINATED WATER SERVICE TO A
9 CUSTOMER WHO ENTERS:

10 (1) A WATER AFFORDABILITY PROGRAM; AND

11 (2) AN AGREEMENT WITH THE PROVIDER TO MAKE TIMELY
12 PAYMENTS FOR ALL FUTURE BILLS CHARGED UNDER A WATER AFFORDABILITY
13 PROGRAM.

14 **9-2A-08.**

15 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A PROVIDER MAY
16 RECOVER NET COSTS ASSOCIATED WITH ADMINISTERING A WATER AFFORDABILITY
17 PROGRAM IN ACCORDANCE WITH THIS SUBTITLE.

18 (B) IF A PROVIDER'S RECOVERY OF NET COSTS FOR THE ADMINISTRATION
19 OF A WATER AFFORDABILITY PROGRAM IS A FIXED FEE, THE FEE FOR RESIDENTIAL
20 CUSTOMERS WHO ARE NOT PARTICIPATING IN THE PROGRAM MAY NOT EXCEED \$1
21 PER MONTH.

22 **9-2A-09.**

23 (A) ON OR BEFORE DECEMBER 31, 2021, AND EVERY 3 YEARS THEREAFTER,
24 EACH PROVIDER SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
25 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS, FINANCES,
26 AND IMPACT OF THE PROVIDER'S WATER AFFORDABILITY PROGRAM REQUIRED
27 UNDER § 9-2A-02 OF THIS SUBTITLE.

28 (B) (1) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS
29 SECTION SHALL INCLUDE A DETERMINATION OF THE ANTICIPATED NET FINANCIAL
30 IMPACT OF THE PROGRAM, IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
31 SUBSECTION, ON CUSTOMERS WHO ARE NOT PARTICIPATING IN THE PROGRAM.

1 **(2) (i) WHEN DETERMINING THE ANTICIPATED NET FINANCIAL**
2 **IMPACT OF A WATER AFFORDABILITY PROGRAM, A PROVIDER SHALL CONSIDER:**

3 **1. A COMPARISON OF THE AMOUNT OF REVENUE**
4 **COLLECTED FROM CUSTOMERS PARTICIPATING IN THE PROGRAM BEFORE**
5 **PARTICIPATION AND AFTER PARTICIPATION; AND**

6 **2. SUBJECT TO SUBPARAGRAPH (ii) OF THIS**
7 **PARAGRAPH, GROSS EXPENSE IMPACTS, INCLUDING THE INCREMENTAL EXPENSES**
8 **CAUSED DIRECTLY BY THE OPERATION OF THE PROGRAM.**

9 **(ii) GROSS EXPENSE IMPACTS SHALL BE REDUCED BY:**

10 **1. DECREASES IN STANDARD UTILITY OPERATING**
11 **EXPENSES;**

12 **2. DECREASES IN COSTS ASSOCIATED WITH**
13 **UNCOLLECTABLE ACCOUNTS; AND**

14 **3. DECREASES IN A PROVIDER'S WORKING CAPITAL**
15 **ASSOCIATED WITH A REDUCTION IN THE UNPAID BILLS OF A CUSTOMER**
16 **PARTICIPATING IN THE PROGRAM.**

17 **9-2A-10.**

18 **THIS SUBTITLE DOES NOT PREEMPT A LOCAL GOVERNMENT FROM**
19 **ESTABLISHING A WATER AFFORDABILITY PROGRAM THAT IS MORE PROTECTIVE**
20 **THAN THE STANDARDS ESTABLISHED IN THIS SUBTITLE.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2017.