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Environment and Transportation Committee



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

HB 893 – Water Utilities – Shutoff Protections (Water Access for All Protection Act)

Background

Although access to clean, affordable water is essential to life and a human right as recognized by the U.N. General Assembly in 2010, it is not guaranteed in Maryland. With water rates increasing at three times the rate of inflation and predicted to continue to rise, shutoffs and tax liens are anticipated to become more frequent, continuing to disproportionately impact low-income communities and communities of color.¹ Generally, local governments do not track data on the number of disconnections and liens on residential properties, but a national study in 2016 by Food and Water Watch found at least 15 million U.S. residents had their water shut off due to non-payment of bills.²

The regulation of water services is highly localized. Without federal or state mandates, municipalities determine how water is provided and priced. In Maryland, water services are generally provided in by municipal government authorities or the Washington Suburban Sanitation Commission (WSSC), by privately-owned utility providers, or through well systems. Privately-owned utility companies are regulated by the Maryland Public Services Commission Water Division (PSC), while municipal authorities and the WSSC are not. Although variations among municipalities allow services to be tailored to different local needs, this situation results in a range of regulations that lead to inconsistent, unequal access to water throughout the State.

Local Laws and Policies

The Center for Water Security and Cooperation, a nonprofit legal research group, produced a comprehensive assessment of Maryland's local laws and policies that control access to water for low-income households missing a water bill payment. The report describes four fees that utilities charge residents after they fall behind which are for late payment, to disconnect water service, to reconnect water service, and interest on overdue bills. Nearly two out of three municipalities and counties in Maryland that permit shutoffs (only two do not) charge at least one of these fees, with turn off or reconnect fees ranging from between \$10 and \$100 each.³ And, although placing

https://www.foodandwaterwatch.org/sites/default/files/rpt_1810_watershutoffs-web2.pdf https://www.circleofblue.org/2019/world/in-maryland-vulnerability-to-water-shutoffs-dependson-your-address/

¹ David Harrison, Why Your Water Bill is Rising Much Faster than Inflation, WALL ST. J. (Mar. 15, 2018), https://www.wsj.com/articles/who-is-paying-to-fix-outdated-water-and-sewer-systems-you-are-1521106201. ² Food and Water Watch, AMERICA'S SECRET WATER CRISIS (2018),

houses for sale due to tax liens from unpaid water bills was banned in Baltimore City, Maryland residents in 87% of other municipalities could lose their homes for not paying their water bills.⁴ Some residents might not even receive written notices about a water shutoff, since only 53% of municipalities require this action.⁵

One of the Problems – Punitive Practices

While utilities argue that the ability to shut off water is necessary for ensuring bill payment, the result is punitive for those households that are willing to pay but are financially unable, and the consequences can be dire. Fees (both to shut off and turn back on water) can be significant and add to the burden of residents who are already financially overwhelmed. For those residents with a tax lien due to water bill non-payment, loss of water can equal loss of home. And, at the very core, water shutoffs threaten health, even providing grounds for removal of children from a family. Given the increasing cost of water and deteriorating infrastructure, more and more Marylanders will be plunged further into financial distress, homelessness, and a health crisis if action is not taken now.

What Other States/Municipalities Have Done

Acknowledging the overwhelming inequities tied to water access and affordability, other states and major municipalities have permanently prohibited water utility companies from shutting off water and/or selling homes due to non-payment of water bills. Pennsylvania's 2014 "Responsible Utility Protection Act" includes the prevention of water service shutoffs if someone living in the home is certified as seriously ill.⁶ Since 2017, Massachusetts has prohibited water shutoffs for those with serious illnesses (both medical and mental), safety issues, financial inability to pay a water bill and an infant under one year old in residence, and a low-income senior (65 and older) living in the house.⁷ In 2022, the Chicago City Council codified the permanent termination of the practice of shutting off water for nonpayment. And, as previously mentioned, Baltimore City recently banned placing houses for sale due to tax liens from unpaid water bills.

A Solution for Maryland: HB 893

Like legislation elsewhere, HB 893 takes a small but important step toward protecting Maryland's most vulnerable populations from harms that come from water shut offs and tax liens due to unpaid water bills. By prohibiting water shutoffs and sales of real property due to water bill nonpayment for specific at-risk individuals in certain circumstances (including those with serious medical, mental, physical, and cognitive issues as well as citizens 65 and older living at or below 50% of the area median income), this bill will improve access to clean water and quality of life for our most vulnerable residents.

For these reasons, I respectfully request a favorable report on HB 893.

⁴ <u>https://www.circleofblue.org/2019/world/in-maryland-vulnerability-to-water-shutoffs-depends-on-your-address/</u>

⁵ https://www.usccr.gov/files/2022-07/md-sac-water-affordability.pdf

⁶ https://www.puc.pa.gov/media/1255/act201-water.pdf

⁷ https://www.masslegalhelp.org/housing/lt1-chapter-6-protections-against-shut-offs