

HOUSE BILL 918

M3

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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.



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

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

Article – Environment

SUBTITLE 2A. WATER AFFORDABILITY PROGRAM.

9–2A–01.

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

(B) “CUSTOMER” MEANS A PERSON:

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

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

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

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

(1) PIPED CENTRALIZED WATER SERVICE TO RETAIL CUSTOMERS;

(2) WASTEWATER SERVICE TO RETAIL CUSTOMERS; OR

(3) STORMWATER SERVICE TO RETAIL CUSTOMERS.

9–2A–02.

(A) EACH PROVIDER SHALL ESTABLISH A WATER AFFORDABILITY
PROGRAM THAT PLACES AN ANNUAL CAP ON THE CHARGES A PROVIDER MAY ASSESS
FOR WATER SERVICES OFFERED TO A CUSTOMER, REGARDLESS OF WHETHER THE
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.**

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

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

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

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

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

9-2A-06.

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

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

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

(2) THE PROVIDER SHALL OFFER THE CUSTOMER THE MOST AFFORDABLE PROGRAM OR DISCOUNT AS DETERMINED UNDER PARAGRAPH (1) OF 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.

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

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

2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, GROSS EXPENSE IMPACTS, INCLUDING THE INCREMENTAL EXPENSES CAUSED DIRECTLY BY THE OPERATION OF THE PROGRAM.

(II) GROSS EXPENSE IMPACTS SHALL BE REDUCED BY:

1. DECREASES IN STANDARD UTILITY OPERATING EXPENSES;

2. DECREASES IN COSTS ASSOCIATED WITH UNCOLLECTABLE ACCOUNTS; AND

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

9-2A-10.

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

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