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BILL ANALYSIS



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Senate Bill 46 (Substitute S-2 as passed by the Senate)

Sponsor: Senator Jeff Irwin

Committee: Housing and Human Service

Date Completed: 9-15-25

CONTENT

The bill would amend the Safe Drinking Water Act to do the following:

- **Replace references of public water supplies to waterworks systems as those references relate to the Department of Environment, Great Lakes, and Energy's (EGLE) authority.**
- **Allow the Director of EGLE to enter a waterworks system of a mobile home or seasonal mobile home park to investigate a complaint of unsafe water.**
- **Expand EGLE's authority to regulate waterworks systems according to State drinking water standards for customer site piping at a mobile home park or seasonal mobile home park.**

EGLE Duties, Generally

Generally, under the Act and subject to certain limitations, EGLE has power and control of public water supplies and suppliers of water. The bill would modify this provision to specify that EGLE would have power and control over waterworks systems and suppliers of water.

(Under the Act, a "public water supply" means a waterworks system that supplies water for drinking or household purposes to a person other than the supplier of the water and does not include a waterworks system that supplies water to only one living unit or a waterworks system that consists only of customer site piping. "Waterworks system" or "system" means a system of pipes and structures through which water is obtained and distributed, including wells and well structures, intakes and cribs, pumping stations, treatment plants, storage tanks, pipelines and appurtenances, or a combination of those things, actually used or intended for use for the purpose of furnishing water for drinking or household purposes.)

"Customer site piping" means an underground piping system owned or controlled by the customer that conveys water from the customer service connection to the building plumbing systems and other points of use on lands owned or controlled by the customer. The term does not include any system that incorporates treatment to protect public health. Instead, under the bill, the term would mean an underground piping system *that consists only of distribution and storage facilities* owned or controlled by the customer that conveys water from the customer service connection to the building plumbing systems and other points of use on lands owned or controlled by the customer. The term would not include any waterworks system that incorporates treatment, *sells water to a person, or is a carrier that conveys passengers in interstate commerce*. The bill specifies that "sells water to a person" would not include submetering and billing.

Currently, the Director of EGLE may enter the waterworks system of a supplier of water to inspect the system and carry out the Act and the Act's rules. Under the bill, the Director also could enter upon a waterworks system at a mobile home park or seasonal mobile home park that consisted of customer site piping, at reasonable times, as necessary for the purpose of

investigating a complaint that the water being provided was not adequate or healthful or was not in compliance with State drinking water standards when the water arrived at the park.

"Mobile home park" would mean a parcel or tract of land under the control of a person upon which three or more mobile homes are located on a continual, nonrecreational basis and which is offered to the public for that purpose regardless of whether a charge is made for the parcel or tract of land, together with any building, structure, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home. "Seasonal mobile home park" would mean a parcel or tract of land under the control of a person upon which three or more mobile homes are located on a continual or temporary basis but occupied on a temporary basis only, and which is offered to the public for that purpose regardless of whether a charge is made for the parcel or tract of land, together with any building, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home.

EGLE Duties for the Protection of Public Health

Generally, when necessary for the protection of public health, EGLE must notify a supplier of water of the need to make changes in operations, to provide treatment, to make structural changes in existing systems, or to add additional capacity as necessary to produce and distribute an adequate quantity of water meeting the State drinking water standards. The bill would specify that EGLE also would have to provide notice of the need to make structural changes in existing piping to the owner of customer site piping at a mobile home park or seasonal mobile home park.

Additionally, EGLE must inspect a system or part of a system and the manner of operation of the system or part. If upon inspection, EGLE determines the system to be inadequate or operated in a way that does not adequately protect the public health, EGLE may order the supplier of water to make alterations in the system or its method of operation as may be required or considered advisable by EGLE to assure the public water supply is adequate, healthful, and conforms with State drinking water standards.

If the supplier does not request a public hearing within 30 days after receipt of the order, the order must be final and binding on the supplier of water. If EGLE receives a request for a public hearing within the 30 days, the public hearing must be immediately arranged. A supplier of water must comply with a final order. Under the bill, if a public hearing were requested in a timely manner, a final order could not go into effect until after the hearing was completed. Additionally, EGLE could revise the order based on information provided at the hearing before issuing a final order.

Under the bill, the provisions applying to a supplier of water described above also would apply to the owner of customer site piping at a mobile home park or seasonal mobile home park.

Emergency Order of Imminent Hazard

Under the Act, if a public water supply poses an imminent hazard to the public health, EGLE may issue an emergency order immediately, without notice or hearing, requiring such action as EGLE determines necessary to protect the public health. Instead, under the bill, if a waterworks system posed an immediate threat to the public health, EGLE could issue an emergency order immediately, without notice or requiring a hearing, that required the supplier of water or the owner of customer site piping at a mobile home or seasonal mobile home park to take any action EGLE determined necessary to protect the public health.

Under the Act, normal administrative procedures as required by the Administrative Procedures Act must proceed concurrently with an emergency order upon written request of the supplier of water received within 15 days. Under the bill, this provision also would apply to a written

request from the owner of customer site piping at a mobile home or seasonal mobile home park.

Action to Limit Expansion or Use

The Act allows EGLE to take appropriate action to limit water system expansion or limit water use from a public water supply until satisfactory improvements are made in the system or operation to provide for a continuous, adequate supply of water meeting the State drinking water standards. Under the bill, EGLE also could limit the expansion of a waterworks system or use from customer site piping at a mobile home or seasonal mobile home park.

MCL 325.1002 et al.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to Senate Bill 920 of the 2023-2024 Legislative Session. Senate Bill 920 passed the Senate and was referred to the House Committee on Government Operations but received no further action.

BRIEF RATIONALE

Generally, EGLE may evaluate waterworks systems to protect the public health and must make certain that water suppliers meet State drinking water standards. According to testimony before the Senate Committee on Housing and Human Services, it is not uncommon for the water quality of some mobile home or seasonal mobile home parks to not meet the State's standards because EGLE has a limited scope of authority after water is received by a municipality. It has been suggested to grant EGLE authority to ensure safe drinking water at mobile home and seasonal mobile home parks.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have a negative fiscal impact on EGLE. The extent of this impact would include administrative and staffing costs which would depend on the number of complaints received that necessitated inspections, as well as the number of hearings that could be held in response to EGLE orders. The bill would significantly increase the number of waterworks systems overseen by EGLE. Estimates from EGLE indicate that implementation would require 3.0 Full-Time Equivalents (FTEs), and the average cost of an FTE in Fiscal Year 2024-25 is \$138,900 annually. This means that the anticipated staffing costs would be roughly \$416,700 annually.

Fiscal Analyst: Jonah Houtz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.