

NOTIFICATION OF LEAD SERVICE LINES

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House Bill 4750 as introduced
Sponsor: Rep. Sheryl Kennedy
Committee: Natural Resources and Outdoor Recreation
Complete to 10-15-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4750 would amend the Safe Drinking Water Act to require a supplier who knows that a customer's residence is serviced by a lead service line to notify the customer of that fact annually. The notice would have to include all of the following:

- Information regarding the health effects of lead.
- Advice on the household use of water, including any flushing instructions.
- Information on the disclosure requirements for an owner to a tenant of the existence of a lead service line.

If part of a residence served by a lead service line was used as a rental unit, the owner would have to disclose the existence of the lead service line to the tenant in the rental agreement or a separate disclosure statement developed by the Department of Energy, Great Lakes, and the Environment (EGLE), in consultation with representatives of the rental industry. If the supplier provided the owner with notice that a residence was serviced by a lead service line, and that fact had not been disclosed in the tenant's rental agreement or disclosure, the owner would have to notify the tenant of that change.

If an owner knowingly violated the requirement to disclose the existence of a lead service line to a tenant, the owner would be responsible for a civil infraction and could be ordered to pay a fine of up to \$250. However, the total fines for a multifamily dwelling in which the owner failed to notify tenants in multiple units could not exceed \$500.

MCL 325.1021

FISCAL IMPACT:

House Bill 4750 would have an indeterminate fiscal impact on the state and on local units of government. The impact would depend on the number of individuals held responsible for a civil infraction and ordered to pay a fine. Because the bill does not specify where the revenue from a civil fine would be dedicated, it is assumed the majority of the revenue would increase funding for local libraries, and a small portion of the revenue would be deposited into the state Justice System Fund, which supports various justice-related endeavors in the judicial and legislative branches of government and the Departments of State Police, Corrections, Health and Human Services, and Treasury.

The bill is likely to increase costs for EGLE by requiring the department to develop a written disclosure statement regarding lead service lines for residence owners to provide to their respective rental tenants. The precise extent of this cost increase is unclear, though it is likely to be administrative in nature and supported by current EGLE appropriations. The bill is similarly likely to increase administrative costs for local governments that own or operate public water supplies by requiring suppliers to annually notify customers of lead service lines serving their respective residences. The content of such notifications is outlined in the bill, but the method of communication is not specified. The bill is unlikely to affect revenues for EGLE or local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.