



Senate Bill 920 (as introduced 6-13-24)
Sponsor: Senator Jeff Irwin
Committee: Housing and Human Services

Date Completed: 10-7-24

CONTENT

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

- **Require the Department of Environment, Great Lakes, and Energy (EGLE) to promulgate and enforce rules to ensure adequate and reliable drinking water to mobile homes located within a mobile home park or seasonal mobile home park.**
- **Designate a public water supply that provided year-round service to mobile home parks as a community supply and specify that the park's piping would be considered customer site piping.**
- **Prohibit a private water supply developer or owner from passing on required escrow costs for a waterworks system to the living units as part of the cost of service of that system.**
- **Specify that a private developer or owner would have to follow construction and permitting rules if the water system served a mobile home or seasonal mobile home park or if EGLE found a deficiency in the system.**

Rules for Water Supply in Mobile Home Parks

Generally, the Act authorizes EGLE to evaluate waterworks systems to protect public health. It requires EGLE to make certain that water suppliers meet State drinking water standards and to impose certain annual fees to community water supply providers based on the number of residents served and, for noncommunity water supply providers, based on the type of noncommunity supply. Specifically, EGLE must promulgate and enforce rules to ensure the safe design, construction, and operation of water systems, establish drinking water standards, certify operators, assess system capacity, and require public water supplies to maintain a reliable and continuous supply of safe drinking water.

Under the bill, EGLE also would have to promulgate and enforce rules that at a minimum included requirements for supplying water to mobile homes located within a mobile home park or seasonal mobile home park. The rules would have to include at least the following:

- Requirements and standards for installing, renovating, replacing, and maintaining a community supply and a noncommunity supply.
- Requirements that ensured an adequate and reliable supply of drinking water on a continuous basis.
- Requirements for operating and monitoring the waterworks system to protect the quality of water supplied to mobile homes located within a mobile home park or seasonal mobile home park as necessary to protect public health.

Currently, "community supply" means a public water supply that provides year-round service to at least 15 living units or which regularly provides year-round service to at least 25 residents. Under the bill, the term also would mean a public water supply that provides year-

round service to a mobile home park and all customer service connection and customer site piping that provide year-round service to each mobile home located within a mobile home park.

("Mobile home" would mean a structure that is transportable in one or more sections, built on a chassis, and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained in the structure. "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.)

Currently, "customer site piping" means an underground piping system owned or controlled by the customer that conveys water from the customer service connection to building plumbing systems and other points of use on lands owned or controlled by the customer. Instead, under the bill, the term would mean an underground piping system that conveys water from the customer service connection to building plumbing systems and other points of use on lands owned or controlled by the customer and that, except as for providing water year-round to a mobile home park as described above, is owned by the customer.

The Act defines "noncommunity water supply" as a public water supply that is not a community supply but that has at least 15 service connections or that serves at least 25 individuals on an average daily basis for at least 60 days per year. Under the bill, the term also would include a public water supply that is not a community supply but that provides service to a seasonal mobile home park and all customer service connections and customer service piping that provide service to each mobile home located within the seasonal mobile home park.

("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 and does not include a campground.)

Private Water Supply Escrow Account

Under the Act, EGLE must not approve a privately owned public water supply serving a group of living units unless the governing body of a local government refuses to accept ownership or responsibility of the public water supply by resolution. In such an instance, EGLE may issue a construction permit or approval on the condition that the developer or owner places up to \$50,000 in an escrow account based on the specifications of the waterworks system. The Act allows EGLE to remove funds from the escrow account to correct deficiencies in the public water system as necessary to protect public health. A developer, owner, or responsible organization must replace any funds removed by EGLE within 90 days.

The bill would specify that an escrow fee incurred by a developer or private owner could not be passed on to the living units as part of the cost of service.

The Act requires a private purchaser to comply with the resolution, construction permitting, and escrow requirements described above before a transfer of ownership of a privately owned public water supply. The bill would modify this provision to specify that a private purchaser

would have to comply with the resolution, construction permitting, and escrow provisions described above if any of the following occurred:

- There was a transfer of ownership of a privately owned public water supply.
- If a privately owned public water supply supplied water to mobile homes located within a mobile home or seasonal mobile home park, the community or noncommunity supply would have to be renovated or replaced to protect public health.
- The Department found a deficiency.

MCL 325.1002 et al.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have a significant negative fiscal impact for EGLE. This would generally include staffing and administrative costs associated with developing and implementing requirements for mobile homes and mobile home parks as designated by the bill. The Department estimates that this would result in a 50% increase in community water supply inventory that it oversees. The bill would not provide for additional funding, and it is unclear at this time if implementing this bill would exceed current appropriations.

Fiscal Analyst: Jonah Houtz

SAS\S2324\s920sa

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.