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MAYOR

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SB0710

February 29, 2024

TO: Members of the Senate Education, Energy and the Environment Committee
FROM: Nina Themelis, Director of the Mayor's Office of Government Relations
RE: Senate Bill 710 – Water Utilities Shutoff Protections
POSITION: OPPOSE

Chair Feldman, Vice Chair Kagan, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **opposes** Senate Bill 710.

SB 710 would establish restrictions relating to the authority of a “water utility” to shut off water or sewer service to a customer and may not shut off service for nonpayment of overdue bills for specified protected customers. The bill would also prohibit a county from selling real property solely to enforce a lien imposed for unpaid water, sewer, or sanitary system charges.

We have large concerns with removing a tool to potentially recoup debts owed by delinquent customers. Even the threat or appearance of termination can often help recover debts necessary to maintain the water and wastewater facilities and provide clean and safe drinking water to all our customers. While Baltimore City has adopted many of these protections for its customers, with no way to collect money owed by delinquent customers, it would likely mean that rates would have to be raised to cover the loss of revenue.

Baltimore has a variety of different programs to help customers who may have difficulties paying their bills. Water4all water assistance program provides a monthly discount for water and sewer costs based on a percentage of residents' income. This program includes tenants who do not directly pay their water bills and are eligible to apply for water payment assistance.

The Water4All assistance program was created under the comprehensive Water Accountability and Equity Act that assists, rights, and protections for water and wastewater customers.

In addition to Water4All Baltimore Department of Public Works also has individually customized payment plans available to its customers. Under these payment plans customers can access interest-free payment plans, keep their water service active, avoid financial consequences, and provide customers flexibility.

Based on these programs and protections already available to our customers, and the removal of residential properties from tax sale, preventing any real property from tax sale with water bill-only liens simply encourages customers to not pay their water and sewer bills.

These delinquencies total in the multi-millions of dollars and would likely spell increased costs for water and wastewater customers across the board. For these reasons, we respectfully ask for an **unfavorable** report on SB 710.