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AB-532 Water rate assistance program. (2025-2026)

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AMENDED IN SENATE JULY 17, 2025

AMENDED IN SENATE JUNE 19, 2025

AMENDED IN ASSEMBLY MAY 23, 2025

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AMENDED IN ASSEMBLY APRIL 22, 2025

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 532

**Introduced by Assembly Member Ransom
(Coauthor: Assembly Member Rogers)**

February 11, 2025

An act to repeal Section 12087.2 of the Government Code, and to add Chapter 6.6 (commencing with Section 116950) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 532, as amended, Ransom. Water rate assistance program.

(1) Existing federal law, the Consolidated Appropriations Act, 2021, among other things, requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, as provided. Existing law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024.

This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program.

(2) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as prescribed. Existing law requires the state board, by February 1, 2018, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken. Existing law requires a public water system to submit a technical report to the state board as part of the permit application or when otherwise required by the state board.

This bill would authorize a public urban retail water supplier to provide water rate assistance to its ratepayers, as specified, and would define the term "water rate assistance" to mean any offset of the cost of drinking water service provided through a low-income water rate assistance program, including, but not limited to, a reduction in a water bill, a percentage reduction of a water utility bill, a water account credit, or crisis assistance used to reduce or eliminate a water bill arrearage or potential arrearage. The bill would authorize the water rate assistance to be provided to specified eligible ratepayers, including, among others, residential ratepayers with an annual household income at or below 200 percent of the federal poverty guideline level. The bill would authorize a public urban retail water supplier to use any funding it has available to provide water rate assistance to its ratepayers, as specified, including voluntary contributions sought from other ratepayers. The bill would require an urban retail water supplier to, beginning January 1, 2028, include in the technical report to the state board specified information regarding its water rate assistance program. The bill would require the state board to conduct a voluntary survey of urban retail water suppliers, as provided, by July 1, 2026.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12087.2 of the Government Code is repealed.

SEC. 2. Chapter 6.6 (commencing with Section 116950) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6.6. Water Rate Assistance Program

116950. For the purposes of this chapter, the following definitions apply:

(a) "Public urban retail water supplier" means a public water supplier that directly provides potable municipal water ~~to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually~~ at retail for municipal purposes. Public urban retail water suppliers are not water corporations pursuant to Section 241 of the Public Utilities Code that are subject to regulation by the Public Utilities Commission.

(b) "Urban retail water supplier" has the same meaning as defined in Section 10608.12 of the Water Code.

(c) "Water rate assistance" means any offset of the cost of drinking water service provided through a low-income water rate assistance program, including, but not limited to, a reduction in a water bill, a percentage reduction of a water utility bill, a water account credit, or crisis assistance used to reduce or eliminate a water bill arrearage or potential arrearage.

116951. (a) A public urban retail water supplier may provide water rate assistance to its ratepayers in furtherance of the state water policy described in Section 106.3 of the Water Code in any manner it determines will best sustainably meet its community's needs while permitting the efficient administration and distribution of any assistance provided. This includes a supplier having the option of using third parties to administer or provide that assistance.

(b) In providing the assistance authorized by this section, a public urban retail water supplier may provide water rate assistance to its residential ratepayers with an annual household income at or below 200 percent of the federal poverty guideline level, residential ratepayers with an arrearage or those likely to have an arrearage without assistance, or to other ratepayers if a supplier determines that offering assistance would allow it to better meet its community's needs, better administer or provide for a more sustainable program, or better balance competing policy objectives, such as water quality, water efficiency, and water affordability.

(c) A public urban retail water supplier, upon approval by the supplier's governing body, may use any funding it has available to provide water rate assistance to its ratepayers provided it does not use any funding derived from a fee or charge levied pursuant to Article XIII D of the California Constitution.

(d) A public urban retail water supplier, upon approval by the supplier's governing body, may seek and use voluntary contributions of funds from its ratepayers and others to support a water rate assistance program for ratepayers. Voluntary contributions may be sought on a water bill or through any other legal ~~means~~. *means and may be established to allow ratepayers to opt into the program or opt out of the program.* Any voluntary contributions of funds a supplier receives shall not be considered public funds.

(e) To establish a water rate assistance program pursuant to this chapter, a public urban retail water supplier shall hold a public meeting consistent with Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

(f) This section is declaratory of existing law and shall not be construed to limit the ability of an urban water supplier to adopt a water rate assistance program or similar program under any other law.

116952. (a) Beginning January 1, 2028, and annually thereafter, an urban retail water supplier shall include in the technical report required by the state board pursuant to Section 116530 all of the following regarding voluntary contributions and water rate assistance:

(1) Whether the supplier provides water rate assistance to its customers.

(2) The amount of funding used to provide any water rate assistance during the previous reporting period.

(3) If the supplier did not provide water rate assistance during the reporting period, an explanation as to any progress made towards implementation of a water rate assistance program, or information about the barriers encountered that prevented providing water rate assistance.

(4) Whether the supplier has sought any voluntary contributions to fund its water rate assistance program. If so, the total amount of voluntary contributions collected to fund its water rate assistance program.

(5) The total number of eligible households that were provided with water rate assistance.

(b) The state board shall, by July 1, 2026, conduct a voluntary survey of urban retail water suppliers relating to paragraph (1) of subdivision (a).