

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Protect Homeowners from Damage in the Event of a Failure of Public Water Systems

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §6113-A is enacted to read:

§ 6113-A. Homeowner protection fund

The commission shall adopt rules that allow a consumer-owned water utility to establish a homeowner protection fund, referred to in this section as "the fund," to reimburse a homeowner in the event of a water system failure that causes damage to the homeowner's property. The commission's rules must establish the maximum amount that may be credited to or accumulated in the fund, the treatment of the fund for rate-making purposes, the manner in which disbursements from the fund may be made to reimburse homeowners and any other requirements or limitations the commission determines necessary or appropriate to protect ratepayers. A consumer-owned water utility that has accumulated money in its fund may remove money from the fund and return that money to the unappropriated retained earnings account if the utility determines that the removal would be in the best interest of the utility's ratepayers. Rules adopted by the commission pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill allows a consumer-owned water utility to establish a homeowner protection fund to reimburse a homeowner in the event of a water system failure that causes damage to the homeowner's property. The Public Utilities Commission is required to adopt rules governing the creation and use of such a fund.