NAR Issue Summaries

Environment â€“ Water Infrastructure

NAR Committee:

State and Local Issues Policy Committee

What is the fundamental issue?

The American Society of Civil Engineers (ASCE) gives the U.S. water supply infrastructure a grade of “D”. In communities with older pipes and water infrastructure, real estate markets may be impacted when water mains are not maintained. This problem is exemplified when water mains or service lines have lead contaminates, such as the events that occurred in Flint, Michigan.

Replacing all water service lines would be costly. The American Water Works Association estimates that there are 6.1 million lead containing service lines in use in approximately 11,200 communities within the United States. An estimate puts the average cost of replacing one service line at $5,000 so to replace service line pipes would cost around $30 billion.

I am a real estate professional. What does this mean for my business?

States may consider implementing seller disclosure forms on the water quality for homes or businesses. Currently, if a seller knows something is wrong with the water supply they must disclose that information to buyers.

NAR Policy:

NAR has not adopted an official position on this issue; however, state and local REALTOR®associations may adopt official positions for water infrastructure.

Opposition Arguments:

Before a home is sold, water testing should be completed by the seller to ensure buyers are protected from any contaminates. If lead or any poisonous substances are found, the pipes need to be replaced.

Legislative/Regulatory Status/Outlook

In December 2016, former President Obama signed into law the Water Infrastructure Improvements for the Nation Act. This authorizes federal funding for projects that reduce lead in water for fiscal years 2017 through 2021.

President Trump has talked about a “rebuilding America” plan with investments of $1 trillion to assist with crumbling infrastructure. Prior to being elected, President Trump campaigned on a message to “pursue an ‘America’s Infrastructure First’ policy that supports investments in transportation, clean water” and several

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other areas of infrastructure. He also wanted to leverage public-private partnerships in financing infrastructure improvement projects.

Current Legislation/Regulation (bill number or regulation)

The Environmental Protection Agency (EPA) and the National Primary Drinking Water Regulations both set the maximum level of lead in drinking water at 15 ppb or parts per billion. One ppb is one microgram (millionth of a gram) per liter.

State, local, tribal and federal entities may apply for long-term, low-cost supplemental loans to improve the water quality of their community using the EPA's existing program, Water Infrastructure Finance and Innovation Act (WIFIA).

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