

Get to know the Michigan Water Trust Fund Act.

The proposed legislation

A coalition of water advocates have developed model legislation to protect water quality, advance water equity, ensure that the waters of the State remain a public resource, and provide communities and water utilities with a steady source of funding to **address water affordability and infrastructure needs**. The key provisions of the legislation address long-standing, increasingly intractable problems of water equity and social justice, and protect the public's abiding interest in Michigan's water resources.

The proposed legislation:

- Ensures that the waters of the Great Lakes and their tributary rivers and streams remain in the public domain and are protected against privatization and financialization
- Prevents commodification of public water by imposing a royalty on bottled public water that is paid by water bottling companies — legally distinct from a “tax” or “special assessment.” Raises approximately \$300 million annually to address water affordability, water equity, and needed infrastructure improvements.

- Affirms the Public Trust Doctrine as the framework for the protection and management of public waters.

Surveys by the International Joint Commission show that 90 percent of residents of the Great Lakes region prioritize protecting the waters of the Great Lakes. The proposed legislation protects our water resources, affirms public rights in our waters, prohibits the sale of water except for bottled water authorized by a royalty and licensing system, recoups royalties derived from these bottled water sales, and directs the funds toward public infrastructure and investment.

The legislation imposes a royalty of 25 cents per gallon on the sale of public water, which would raise approximately \$300 million annually. The royalty collected is then placed in a fund to be improve water infrastructure and help disadvantaged households pay for water services. The legislation affirms the Public Trust Doctrine — the historic jurisprudential principle that holds that the waters of Michigan are a public trust, our citizens are the beneficiaries of that public trust, and that the government must act as a fiduciary in ensuring that public trust waters are protected from impairment and appropriation.



The legislation defines “waters of the state” broadly to include “groundwater, lakes, rivers, and streams and all other watercourses and waters, including the Great Lakes, within the territorial boundaries of the state.”

This inclusive definition serves as an implicit recognition that all waters are part of the hydrologic cycle.



A Michigan milestone.

In the 20th century, Michigan led the nation in conservation with the establishment of the Natural Resources Trust Fund, which has directed more than \$1 billion in revenues from oil and gas drilling on state land to acquire public parks and recreational land. In the 21st century, Michigan can lead the way with the establishment of a Michigan Water Trust Fund that assures public water remains public, safe, and affordable for all.

\$300M

annually would be generated from the special assessment tax.

90%

of area residents prioritize the health of the Great Lakes.

40M

people in the Great Lakes Basin depend on Great Lakes waters.

FAQs about the Michigan Water Trust Fund Act.

1. What does the Michigan Water Trust Fund Act (MWTFA) do?

The waters of the state are publicly protected by the state of Michigan. Private corporations presently extract and sell public water at great profit, without any tangible benefits accruing to Michigan citizens. Public rights to water resources are threatened by recent moves by hedge funds to acquire water rights and own water bottling companies in anticipation of water scarcity issues.

The Michigan Water Trust Fund Act:

- Prevents the commodification of water by reaffirming public rights in water and the state's sovereign interest in water by establishing a royalty and licensing system for the extraction and sale of water;
- Imposes a per-gallon royalty on bottled water that will raise approximately \$300 million annually;
- Establishes a fund to enable communities to invest in new and water infrastructure ensure safe, affordable, clean drinking water to their residents, and better protect public health.

2. How does a "royalty" differ from a tax or a special assessment?

A "royalty" connotes an obligation to the sovereign for the use of a public trust resource. A "tax" is a levy by a governmental unit on the general public with the revenue raised by the tax being expended for governmental purposes for the benefit of all citizens. A "special assessment" is

a charge against property for a public improvement that confers a special benefit to that property different from the benefit enjoyed by the general public. A royalty underscores public rights in water and distinguishes bottled water licensure as a unique category of public authorization.

3. How much would the royalty generate for the Michigan Water Trust Fund?

Based upon a July 2020 analysis by Michigan State University, a recommended per-gallon royalty of \$0.25 on the estimated 997.6 million gallons bottled in 2018 would be expected to generate \$249.4 million (\$0.25 per gallon is 3.125 cents per 16-ounce bottle). Sales volume in the U.S. has increased by 14.8 percent since 2018; the corresponding increase would yield approximately \$287 million in 2023.

4. What would be the market impact of a \$0.25 per gallon royalty?

[According to Forbes](#), depending on the brand, retail prices range from around \$1.00 to as much as \$11.00 per gallon, and consumers pay between 400 times and 4,400 times more for bottled water. A \$0.03 per 16 oz charge would not affect consumer demand or meaningfully reduce company profits.¹

5. What is the purpose, structure, and governance of the proposed fund?

Michigan's infrastructure needs remain in the national spotlight, creating an opportunity to build bipartisan support for revenue enhancement that is not dependent on raising taxes. The Michigan Section of the American Society of Civil Engineers [2023 Report Card for Michigan's Infrastructure](#) gives Michigan's drinking water infrastructure a "C-".²



1. Myler, Larry. "How Differentiation Strategies Can Get You to Pay 4,400 Times More for a Commodity." *Forbes*, *Forbes Magazine*, 23 Nov. 2016, www.forbes.com/sites/larrymyler/2016/11/23/how-differentiation-strategies-can-get-you-to-pay-4400-times-more-for-a-commodity/. 2. "Michigan Infrastructure Report Card: ASCE." ASCE's 2025 Infrastructure Report Card |, 11 Mar. 2025, infrastructurereportcard.org/state-item/michigan/.

How is using water for bottled water any different than using it to produce soda, beer or any other product?

Bottled water is often seen as a premium product with minimal added value other than packaging, while beverages like sodas, juices, or soups have a more complex product structure. These beverages create more value-added products through processing, flavoring, and packaging.



6. As proposed, the Act's royalty and licensing system would establish the Michigan Water Trust Fund and support:

- Municipal drinking water infrastructure needs and drinking water infrastructure maintenance
- Lead pipe replacement
- Green infrastructure for stormwater management
- Remediation of chemical contamination of water systems and water sources (e.g., PFAs, etc.)
- Affordability plans and initiatives, including tiered or reverse-tiered pricing based upon successful programs in other municipalities
- New resources to address substandard and failing household septic systems

- Hydrogeological studies, remediation of contaminated groundwater

The Fund would be modeled on the popular and successful Michigan Natural Resources Trust Fund, governed by a public trust fund board and managed by the State Treasurer.

7. Doesn't the Act commodify water by exacting a royalty?

No — importantly, the Act does the exact opposite. Licensure of water bottling operations and the payment of a royalty for the extraction and sale of a public trust resource establishes and strengthens public rights in water resources. Royalties signify state control and prevent the commodification of water, and licensure encompasses a determination that public rights and the public interest is protected.

8. Will carbonated water be subject to the royalty?

No, because the manufacturer is incorporating something into the water. It is water itself as a product that runs afoul of the Public Trust Doctrine and leaves the Great Lakes vulnerable under international trade law.

9. If a bottled water company were to add a drop of flavoring to its bottled water products, would the products be exempt from the royalty?

If the drop were intentionally added to avoid the royalty, it should be subject to the royalty. Administrative rules can be promulgated to address this and similar issues.

10. Why is the extraction of bottled water such a big deal given that it uses a very small amount of the Great Lakes Basin's consumptive water use?

The difference is typically not in the resource impact, but in the precedent-setting nature of selling water itself as a product. The FDA definition of spring water drives bottled water manufacturers to extract water from and disrupt sensitive headwaters of springs and wetlands.



11. Can the Act be used as model legislation for other Great Lake States (and other states)?

The bill is well drafted and should be promoted as model bottled water legislation as it lends the Act a higher profile and potentially greater support. It will likely result in greater regional interest and support by broader geographic constituencies. Concerns over the commodification and privatization of water exist in every state. The New York legislature already introduced a bill based on the MWTFA. In December of 2024, Michigan House Representatives introduced important bills (HB 6273, 6274), based on this model legislation.

results show overwhelming bipartisan support for protecting water quality and water quantity. Public support for improved water infrastructure is also extremely strong. [New Zealand's proposed bottled water per liter royalty](#) was supported by 89 percent of its public.³

12. How will the public respond to the Michigan Water Trust Fund Act?

Polling conducted by Lake Research Partners indicates that 71 percent of Michiganders would favor a royalty on bottled water. Focus group and survey

13. How much water is bottled in MI annually?

An estimated 1.06 billion gallons of water are bottled annually in Michigan. Applying the \$0.25 per gallon royalty, the state would receive an estimated \$300 million in annual royalties. EGLE lists 113 Michigan companies that have source water approvals for the production of bottled water.

How big is the bottled water market in the U.S.?

Revenue in the bottled water market amounts to US\$94.07bn in 2023. The market is expected to grow annually by 6.34% (CAGR 2023-2027).

3. Smith, I. (n.d.). Exporting Nature's Gift: An Analysis of Contemporary Water Law Issues in Aotearoa New Zealand; <https://www.law.georgetown.edu/environmental-law-review/wp-content/uploads/sites/18/2020/01/GT-GELR190046.pdf>.

Pop the lid: The dirty truth about plastics in every day life.

14. How many plastic bottles are used every year?

Americans purchase about 50 billion water bottles per year, averaging about 13 bottles per month for every person in the U.S. In 2023, U.S. consumers drank an average of [46.4 gallons of bottled water](#), a per person equivalent of 370 sixteen ounce bottles per year.⁴ That is more than one bottle per day!

15. What are the bottles made of?

Typically, polyethylene terephthalate (PET).

16. What percentage of plastic water bottles are recycled?

According to the National Association for PET Container Resources (NAPCOR), the US PET bottle collection rate was 33% in 2023 — the highest recycling rate since 1996.

17. Are there plastics in bottled water?

The average liter of bottled water has nearly a quarter million nanoplastic particles.⁵ While the specific, causal effects plastics may have on human health are yet unknown and currently being researched, animal studies suggest that plastics and plastic byproducts affect the digestive, respiratory, endocrine, reproductive, and immune systems.⁶



In summary.

The Michigan Water Trust Fund Act represents a forward-looking solution to urgent challenges of water equity, affordability, and environmental stewardship. By affirming the public's right to water and ensuring that those who profit from its extraction contribute to its protection, the legislation reclaims water as a shared resource rather than a private commodity. It offers a practical, broadly supported funding mechanism to invest in aging infrastructure, protect vulnerable communities, and safeguard the Great Lakes for generations to come.

In doing so, Michigan has the opportunity to lead once again — this time by enshrining water justice at the heart of public policy.

4. "Plastic Bottles." *Habits of Waste*, 28 Feb. 2025, habitsofwaste.org/call-to-action/plastic-bottles/ 5. "Plastic Particles in Bottled Water." National Institutes of Health, U.S. Department of Health and Human Services, 30 Jan. 2024, www.nih.gov/news-events/nih-research-matters/plastic-particles-bottled-water. 6. Lee, Yongjin, et al. "Health Effects of Microplastic Exposures: Current Issues and Perspectives in South Korea." *Yonsei Medical Journal*, U.S. National Library of Medicine, May 2023, [pmc.ncbi.nlm.nih.gov/articles/PMC10151227/#sec-5title](https://pubmed.ncbi.nlm.nih.gov/articles/PMC10151227/#sec-5title).