

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 128  
Economic Matters

(Delegate Jackson)

Finance

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Public Utilities - Termination of Service to Multifamily Dwelling Unit -  
Notification to Property Owner or Manager

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This bill requires a public service company to notify the property owner or manager of a multifamily dwelling unit before terminating gas or electric service if (1) the company is going to terminate service to a customer who resides in the multifamily dwelling unit and (2) the property owner or manager has enrolled in a service termination notification program established under regulations adopted by the Public Service Commission (PSC). The bill may not be construed to (1) prevent any other form of third-party notification that a customer may request; (2) alter any liability of, or impose any liability on, a property owner or manager for any action taken under the bill; or (3) interfere with the ability of a property owner or manager to assume responsibility for a customer account and recover payment of an arrearage due as rent. PSC must adopt regulations to implement the bill.

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**Fiscal Summary**

**State Effect:** PSC can handle the bill's requirements with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** PSC regulations require a gas or electric company to notify a customer at least 14 days prior to terminating service for nonpayment, except under specified conditions. Additional restrictions on terminations apply to elderly or handicapped individuals, individuals with a serious illness and life support equipment, and low-income

individuals, and also during periods of excessively hot or cold weather. A gas or electric company may commence termination procedures only if it has made reasonable attempts to collect the past-due bills using normal collection procedures. Further, the gas or electric company must use its discretion in unusual circumstances, including a situation involving a master-metered building, and may not terminate service if it has or is presented with reasonable grounds to believe that termination will endanger human health, life, or safety.

Each gas or electric company must inform its customers of the availability of third-party notification, by which the customer can designate a third person to receive notices of termination of service in addition to the customer. The third party is not liable for the account of the customer; however, the designated third party may initiate appropriate action to prevent termination of the customer's service. Each gas or electric company must set up a procedure for handling this third-party notification process in a manner best suited to the circumstances of the particular company.

A gas or electric company must notify tenants in a master-metered building of an impending termination of service at least 14 days before the scheduled termination date.

**Background:** The bill addresses an issue that could potentially arise in a multifamily dwelling unit where utility service is terminated for one account without the property owner's or property manager's knowledge. Residents without gas or electricity are more likely, for example, to burn candles for light and heat – which is a potential risk to both themselves and to other residents in the dwelling unit.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - January 22, 2016  
kb/lgc Revised - House Third Reader - March 24, 2016

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