

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 261
Economic Matters

(Delegate Jackson, *et al.*)

Finance

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

This bill requires a public service company that intends to terminate, because of nonpayment, gas or electric service to a customer in a multifamily dwelling unit to notify the property owner or manager of the dwelling unit before terminating the service if the public service company has received the customer's consent to do so. A property owner or manager of a multifamily dwelling unit may require, as a term of a lease, that a customer of a public service company consent to the property owner or manager receiving the notice. A customer's consent may be provided to a public service company by the customer or by the property owner or manager if written consent is given by the customer. Each public service company must establish a procedure for handling the third-party notification process, as specified. The bill may not be construed to prevent any other form of third-party notification that a customer may request. The Public Service Commission (PSC) may adopt regulations to implement the bill.

Fiscal Summary

State Effect: PSC can implement the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

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.

Additional Information

Prior Introductions: HB 128 of 2016, a similar bill, passed the House with amendments and received a hearing from the Senate Finance Committee but was subsequently withdrawn.

Cross File: None.

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

Fiscal Note History:
kb/lgc

First Reader - January 31, 2017
Third Reader - March 14, 2017
Revised - Amendment(s) - March 14, 2017
Enrolled - May 4, 2017
Revised - Amendment(s) - May 4, 2017

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