

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1238 (Delegate Klausmeier, et al.)  
Environmental Matters

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**Utility Regulation - Public Service Companies -  
Use of Funds for Nonregulated Activities**

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This bill prohibits a public service company from using funds collected under its rates for activities not regulated by the Public Service Commission. The bill requires any funds used in violation of this prohibition to be returned to the ratepayers in a manner determined by the commission and requires a penalty of three times the amount of the refund to be paid to the commission.

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**Fiscal Summary**

**State Effect:** General fund revenues could be affected as discussed below. Expenditures would not be affected.

**Local Effect:** None.

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**Fiscal Analysis**

**State Revenues:** Revenues could increase under the penalty provisions of the bill. However, because the commission is financed by fees imposed on the public service companies that it regulates, it is unclear if the revenue created under the bill would decrease future fees or be retained by the general fund. Regardless, any such revenues are assumed to be minimal.

**State Expenditures:** Any additional workload resulting from this bill can be absorbed within the existing resources of the Public Service Commission.

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

**Fiscal Note History:** First Reader - March 15, 1996

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