

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1035
Rules

(Senator A. Washington)

Electric and Gas Service - Termination - Third-Party Notification

This bill requires a public service company to notify specified third parties prior to terminating gas or electric service to a multifamily dwelling unit for nonpayment in specified circumstances. The requirement only applies to electric or gas service provided to a multifamily dwelling unit for which the utility billing account is held by the property owner or manager. In those circumstances, the public service company must notify (1) the applicable municipality, if any, and (2) the members of the General Assembly and local elected officials in whose districts the multifamily dwelling unit is located.

Fiscal Summary

State Effect: The Public Service Commission (PSC) can handle the bill's requirements with existing budgeted resources. Revenues are not affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Current Law:

Terminations of Service – Generally

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 circumstances.

Additional restrictions on terminations apply to certain 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.

Terminations of Service – Third-party Notification in a Multifamily Dwelling Unit

Under § 7-307.3 of the Public Utilities Article, a public service company that intends to terminate, because of nonpayment, gas or electric service to a customer in a multifamily dwelling unit must 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 set up a procedure for handling the third-party notification process in a manner best suited to the circumstances of the particular public service company.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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km/lgc

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