

HOUSE BILL 1187

N1, C5

6lr2979
CF SB 799

By: **Delegate Hinebaugh**

Introduced and read first time: February 11, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Water Companies and Sewage Disposal Companies – Eminent Domain**
3 **Proceedings and Service Rates**

4 FOR the purpose of prohibiting the Public Service Commission from approving a rate
5 increase for a water company or a sewage disposal company if a county or
6 municipality has commenced or indicated an intent to commence a certain eminent
7 domain proceeding; requiring a fact finder to consider certain factors in an eminent
8 domain proceeding involving a water company or a sewage disposal company; and
9 generally relating to water companies, sewage disposal companies, and eminent
10 domain proceedings.

11 BY repealing and reenacting, without amendments,
12 Article – Public Utilities
13 Section 1–101(a), (z), (gg), (uu), and (vv)
14 Annotated Code of Maryland
15 (2025 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Public Utilities
18 Section 4–203
19 Annotated Code of Maryland
20 (2025 Replacement Volume and 2025 Supplement)

21 BY adding to
22 Article – Real Property
23 Section 12–105.2
24 Annotated Code of Maryland
25 (2023 Replacement Volume and 2025 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Public Utilities

1–101.

(a) In this division the following words have the meanings indicated.

(z) (1) “Public service company” means a common carrier company, electric company, gas company, sewage disposal company, telegraph company, telephone company, water company, or any combination of public service companies.

(2) “Public service company” does not include:

(i) a campground that provides water, electric, gas, sewage, or telephone service to campers incident to the campground’s primary business of operating and maintaining the campground; or

(ii) a person that owns or operates equipment used for charging electric vehicles, including a person that owns or operates:

1. an electric vehicle charging station;

2. electric vehicle supply equipment; or

3. an electric vehicle charging station service company or provider.

(gg) “Sewage disposal company” means a privately owned public service company that owns or maintains facilities for the disposal of sewage.

(uu) “Water company” means a public service company that owns a water plant and sells or distributes water for gain.

(vv) “Water plant” means the material, equipment, and property owned by a water company and used or to be used for or in connection with water service.

4–203.

(a) Unless otherwise ordered by the Commission, a public service company may not establish a new rate or change in rate unless the public service company:

(1) provides to the Commission notice of the new rate or change in rate at least 30 days before the new rate is established or current rate is changed; and

(2) publishes the new rate or change in rate in accordance with § 4–202 of this subtitle during the entire 30 day notice period in new schedules or plainly indicated amendments to existing schedules.

(b) The public service company shall plainly set forth in the notice and publication:

(1) the changes that it proposes to the rate schedules currently in force; and

(2) the effective date of the changes.

(c) (1) The technical staff of the Commission may assist a water company or a sewage disposal company in establishing a proposed just and reasonable rate.

(2) In assisting a water company or a sewage disposal company under this subsection, the technical staff may seek information from the water company or the sewage disposal company.

(3) The Commission shall restrict the availability of staff-assisted rate cases authorized under this subsection to water companies or sewage disposal companies whose gross annual revenues, for the most recent calendar year for which data are available, are below an amount determined by the Commission, not to exceed \$1,000,000.

(4) The Commission shall adopt regulations to establish formal rules for staff-assisted rate cases authorized under this subsection.

(D) THE COMMISSION MAY NOT APPROVE A RATE INCREASE FOR A WATER COMPANY OR A SEWAGE DISPOSAL COMPANY IF A COUNTY OR MUNICIPALITY HAS COMMENCED OR INDICATED AN INTENT TO COMMENCE A CONDEMNATION PROCEEDING IN ACCORDANCE WITH TITLE 12 OF THE REAL PROPERTY ARTICLE.

Article – Real Property

12-105.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “SEWAGE DISPOSAL COMPANY” HAS THE MEANING STATED IN § 1-101 OF THE PUBLIC UTILITIES ARTICLE.

(3) “WATER COMPANY” HAS THE MEANING STATED IN § 1-101 OF THE PUBLIC UTILITIES ARTICLE.

(B) A FACT FINDER IN A CONDEMNATION PROCEEDING INVOLVING A WATER COMPANY OR A SEWAGE DISPOSAL COMPANY SHALL CONSIDER:

1 **(1) ANY REASONABLE SYSTEM UPGRADES NECESSARY FOR THE**
2 **WATER COMPANY OR SEWAGE DISPOSAL COMPANY TO PROVIDE SAFE AND RELIABLE**
3 **SERVICE; AND**

4 **(2) THE VALUE TO CUSTOMERS FROM ANY POTENTIAL REDUCTIONS**
5 **IN WATER OR SEWER BILLS IF THE WATER COMPANY OR SEWAGE DISPOSAL**
6 **COMPANY IS ACQUIRED BY A COUNTY OR MUNICIPALITY THROUGH CONDEMNATION.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2026.