

# HOUSE BILL 409

L6, C5  
HB 459/23 – ECM

4lr1160  
CF SB 37

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By: **Delegates Kaufman, Acevero, Allen, Boaf, Bouchat, Cullison, Hill, Ivey, A. Johnson, Lehman, Mireku–North, Palakovich Carr, Pasteur, Pruski, Rosenberg, Shetty, Simmons, Simpson, Solomon, Spiegel, Stein, Turner, Vogel, Woods, and Wu**

Introduced and read first time: January 18, 2024

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Street Lighting Equipment – Acquisitions and Reporting**  
3 **(County and Municipal Street Lighting Investment Act)**

4 FOR the purpose of authorizing a certain county or municipality to acquire certain street  
5 lighting equipment by purchase or condemnation, convert its street lighting service  
6 to a customer–owned street lighting tariff, enter into an agreement to purchase  
7 electricity, and contract with an electric company for the maintenance of the street  
8 lighting equipment; authorizing certain disputes to be submitted to the Public  
9 Service Commission for resolution; requiring a certain investor–owned electric  
10 company to make a certain report to the Public Service Commission on or before a  
11 certain date; and generally relating to street lighting equipment.

12 BY repealing and reenacting, with amendments,  
13 Article – Local Government  
14 Section 1–1309  
15 Annotated Code of Maryland  
16 (2013 Volume and 2023 Supplement)

17 BY adding to  
18 Article – Public Utilities  
19 Section 4–212  
20 Annotated Code of Maryland  
21 (2020 Replacement Volume and 2023 Supplement)

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

24 **Article – Local Government**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 1-1309.

2 (a) (1) In this section[, “electric] **THE FOLLOWING WORDS HAVE THE**  
3 **MEANINGS INDICATED.**

4 (2) **“ELECTRIC company”** has the meaning stated in § 1-101 of the Public  
5 Utilities Article.

6 (3) **“FAIR MARKET VALUE”** MEANS THE FAIR MARKET VALUE OF THE  
7 PROPERTY, CALCULATED USING FEDERAL ENERGY REGULATORY COMMISSION  
8 (FERC) ACCOUNTING METHODS, AND NOT USING METHODS OTHER THAN THOSE  
9 USED FOR STANDARD RATE SETTING.

10 (4) **“MAKE-READY WORK”** MEANS ANY STREET LIGHTING EQUIPMENT  
11 INFRASTRUCTURE MODIFICATIONS:

12 (I) REQUIRED TO FACILITATE A TRANSFER OF STREET  
13 LIGHTING EQUIPMENT FROM AN ELECTRIC COMPANY TO A COUNTY OR  
14 MUNICIPALITY; AND

15 (II) THAT COMPLY WITH ALL APPLICABLE SAFETY AND  
16 ELECTRIC CODES.

17 (5) **“STREET LIGHT SERVICE POINT”** MEANS THE POINT OF  
18 INTERCONNECTION ON A STREET LIGHTING CIRCUIT WHERE OWNERSHIP CHANGES  
19 FROM AN ELECTRIC COMPANY TO A COUNTY OR MUNICIPALITY.

20 (6) (I) **“STREET LIGHTING EQUIPMENT”** MEANS ALL EQUIPMENT  
21 OWNED BY AN ELECTRIC COMPANY USED SOLELY TO LIGHT STREETS IN THE COUNTY  
22 OR MUNICIPALITY.

23 (II) **“STREET LIGHTING EQUIPMENT”** INCLUDES:

24 1. ALL CAPITAL EQUIPMENT AS DEFINED UNDER FERC  
25 ACCOUNT 373;

26 2. LIGHTING BALLASTS, LUMINAIRES, MAST ARMS,  
27 PHOTOCELLS, CIRCUITS AND EQUIPMENT FROM THE STREET LIGHT SERVICE POINT  
28 TERMINATING AT THE LUMINAIRE, AND ANY OTHER EQUIPMENT NECESSARY FOR  
29 THE CONVERSION OF ELECTRIC ENERGY INTO STREET LIGHTING;

30 3. DECORATIVE STREET AND AREA LIGHTING;

31 4. SOLID-STATE LED LAMPS;

1                               **5.     INDUCTION LAMPS; AND**

2                               **6.     OLDER LAMP TYPES SUCH AS HIGH PRESSURE**  
3 **SODIUM, MERCURY VAPOR, METAL HALIDE, OR INCANDESCENT.**

4                               **(III) “STREET LIGHTING EQUIPMENT” DOES NOT INCLUDE JOINT**  
5 **USE UTILITY POLES ON WHICH THE EQUIPMENT IS FIXED.**

6                               **(7)   “UTILITY VALUATION EXPERT” MEANS A PERSON HIRED BY A**  
7 **COUNTY, A MUNICIPALITY, OR AN ELECTRIC COMPANY FOR THE PURPOSE OF**  
8 **CONDUCTING AN ECONOMIC VALUATION OF STREET LIGHTING EQUIPMENT TO**  
9 **DETERMINE ITS FAIR MARKET VALUE.**

10                              **(B)   THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

11                              **(1)   LOCAL GOVERNMENTS PAY ELECTRIC COMPANIES LARGE SUMS**  
12 **EVERY YEAR TO LIGHT STREETS IN COUNTIES AND MUNICIPALITIES;**

13                              **(2)   COUNTIES AND MUNICIPALITIES ARE LIMITED IN HOW THIS**  
14 **PUBLIC SAFETY RESOURCE CAN BE MANAGED BECAUSE THE COUNTIES AND**  
15 **MUNICIPALITIES OFTEN DO NOT OWN OR CONTROL THE STREET LIGHTING**  
16 **EQUIPMENT WITHIN THEIR JURISDICTIONS;**

17                              **(3)   EFFICIENCY UPGRADES TO STREET LIGHTING EQUIPMENT**  
18 **PRESENT AN OPPORTUNITY FOR COMMUNITIES TO REDUCE THEIR CARBON**  
19 **FOOTPRINT AND ADDRESS CLIMATE CHANGE THROUGH EFFICIENCY UPGRADES;**

20                              **(4)   THERE IS OFTEN INSUFFICIENT INCENTIVE IN THE APPLICABLE**  
21 **ELECTRIC RATE TARIFF FOR INSTALLING ENERGY EFFICIENT LIGHTING**  
22 **TECHNOLOGIES THAT MAY REDUCE BOTH POWER AND MAINTENANCE EXPENSES;**

23                              **(5)   COUNTIES AND MUNICIPALITIES AROUND THE COUNTRY HAVE**  
24 **SAVED CONSIDERABLE RESOURCES BY PURCHASING THEIR STREET LIGHTING**  
25 **EQUIPMENT FROM ELECTRIC COMPANIES AND CONTRACTING FOR THE**  
26 **MAINTENANCE INDEPENDENTLY; AND**

27                              **(6)   STREET LIGHTING COSTS SHOULD BE REDUCED AND SERVICE**  
28 **SHOULD BE IMPROVED BY:**

29                              **(I)   IMPROVING PUBLIC SAFETY WITH STREET LIGHTS THAT**  
30 **PROVIDE BETTER DURABILITY;**

31                              **(II)  REDUCING MAINTENANCE COSTS BY ALLOWING COUNTIES**

1 AND MUNICIPALITIES TO OWN THE STREET AND AREA LIGHTING WITHIN THEIR  
2 JURISDICTIONS AND TO ENTER INTO REGIONAL MAINTENANCE SERVICE  
3 CONTRACTS;

4 (III) REDUCING WHOLE SYSTEM COST THROUGH COUNTY OR  
5 MUNICIPAL OWNERSHIP AND MAINTENANCE AND BY ADOPTING TARIFFS THAT  
6 INCLUDE DISTRIBUTION SERVICE COSTS, THE COSTS OF ANY MAKE-READY WORK  
7 PERFORMED BY AN ELECTRIC COMPANY, AND OPTIONAL ELECTRIC  
8 COMPANY-PROVIDED MAINTENANCE AND REPAIR COSTS;

9 (IV) PROVIDING FOR THE USE OF INNOVATIVE TECHNOLOGIES  
10 FOR MORE EFFICIENT LIGHTING; AND

11 (V) PROVIDING MORE RESPONSIVE SERVICE FOR LIGHTING  
12 REPAIRS.

13 [(b)] (C) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
14 SUBSECTION, THIS section applies to all counties and municipalities.

15 (2) THIS SECTION DOES NOT APPLY TO STREET LIGHTING  
16 EQUIPMENT OWNED BY A MUNICIPAL ELECTRIC UTILITY.

17 [(c) On written request by a county or municipality, an electric company shall sell  
18 to the county or municipality some or all of the electric company's existing street lighting  
19 equipment that is located in the county or municipality.]

20 (D) (1) AFTER GIVING WRITTEN NOTICE TO THE ELECTRIC COMPANY AND  
21 THE PUBLIC SERVICE COMMISSION, A COUNTY OR MUNICIPALITY THAT RECEIVES  
22 STREET LIGHTING SERVICE FROM AN ELECTRIC COMPANY IN ACCORDANCE WITH A  
23 TARIFF PROVIDING FOR THE USE BY THE COUNTY OR MUNICIPALITY OF STREET  
24 LIGHTING EQUIPMENT OWNED BY THE ELECTRIC COMPANY MAY:

25 (I) SUBMIT A REQUEST TO ACQUIRE THE STREET LIGHTING  
26 EQUIPMENT FROM THE ELECTRIC COMPANY AT SOME OR ALL LOCATIONS WITHIN  
27 THE COUNTY OR MUNICIPALITY;

28 (II) AFTER ACQUISITION, CONVERT ITS STREET LIGHTING  
29 SERVICE TO A CUSTOMER-OWNED STREET LIGHTING TARIFF SET IN ACCORDANCE  
30 WITH § 4-212 OF THE PUBLIC UTILITIES ARTICLE; AND

31 (III) ENTER INTO AN AGREEMENT TO PURCHASE ELECTRICITY  
32 FROM A RETAIL SUPPLIER LICENSED UNDER § 7-507 OF THE PUBLIC UTILITIES  
33 ARTICLE OR THE ELECTRIC COMPANY.

1           **(2) (I) IF THE COUNTY OR MUNICIPALITY AND THE ELECTRIC**  
2 **COMPANY FAIL TO AGREE ON THE FAIR MARKET VALUE OF THE STREET LIGHTING**  
3 **EQUIPMENT, THE COUNTY OR MUNICIPALITY AND THE ELECTRIC COMPANY SHALL**  
4 **EACH BE RESPONSIBLE FOR HIRING A UTILITY VALUATION EXPERT TO CONDUCT AN**  
5 **APPRAISAL OF THE STREET LIGHTING EQUIPMENT TO DETERMINE THE FAIR**  
6 **MARKET VALUE OF THE STREET LIGHTING EQUIPMENT.**

7           **(II) EACH UTILITY VALUATION APPRAISAL SHALL BE**  
8 **COMPLETED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL**  
9 **APPRAISAL PRACTICE.**

10           **(III) 1. THE COUNTY OR MUNICIPALITY AND THE ELECTRIC**  
11 **COMPANY SHALL ENGAGE THE SERVICES OF THE SAME LICENSED ENGINEER TO**  
12 **CONDUCT AN ASSESSMENT OF THE TANGIBLE ASSETS OF THE STREET LIGHTING**  
13 **EQUIPMENT.**

14                           **2. THE ASSESSMENT SHALL BE INCORPORATED INTO**  
15 **THE APPRAISALS UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.**

16           **(IV) A UTILITY VALUATION EXPERT MAY NOT:**

17                           **1. DERIVE ANY MATERIAL FINANCIAL BENEFIT FROM**  
18 **THE SALE OF THE STREET LIGHTING EQUIPMENT OTHER THAN FEES FOR SERVICES**  
19 **RENDERED; OR**

20                           **2. BE AN IMMEDIATE FAMILY MEMBER OF A DIRECTOR,**  
21 **AN OFFICER, OR AN EMPLOYEE OF EITHER THE ACQUIRING COUNTY OR**  
22 **MUNICIPALITY OR THE SELLING ELECTRIC COMPANY WITHIN 12 MONTHS BEFORE**  
23 **THE DATE OF HIRING TO PERFORM AN APPRAISAL UNDER THIS SECTION.**

24           **(3) IF THE COUNTY OR MUNICIPALITY AND THE ELECTRIC COMPANY**  
25 **FAIL TO AGREE ON THE PURCHASE PRICE OR CONDITIONS OF PURCHASE OF THE**  
26 **STREET LIGHTING EQUIPMENT, THE COUNTY OR MUNICIPALITY MAY ACQUIRE THE**  
27 **EQUIPMENT BY CONDEMNATION IN ACCORDANCE WITH TITLE 12 OF THE REAL**  
28 **PROPERTY ARTICLE.**

29           **[(d)] (E) If the county or municipality [purchases] ACQUIRES street lighting**  
30 **equipment from an electric company AND CONVERTS THE STREET LIGHTING SERVICE**  
31 **TO A CUSTOMER-OWNED STREET LIGHTING TARIFF IN ACCORDANCE WITH**  
32 **SUBSECTION (D) OF THIS SECTION, the county or municipality shall pay to the electric**  
33 **company the fair market value of the street lighting equipment AND THE COST OF ALL**  
34 **MAKE-READY WORK PERFORMED BY THE ELECTRIC COMPANY.**

35           **[(e)] (F) A county or municipality that [purchases] ACQUIRES street lighting**

1 equipment in accordance with **SUBSECTION (D) OF** this section:

2 (1) shall be responsible for the maintenance of the street lighting  
3 equipment; **[and]**

4 (2) may contract with **THE ELECTRIC COMPANY OR** an outside entity for  
5 the maintenance of the street lighting equipment; **AND**

6 **(3) SHALL NOTIFY THE ELECTRIC COMPANY OF ANY CHANGE TO THE**  
7 **COUNTY'S OR MUNICIPALITY'S STREET LIGHTING EQUIPMENT INVENTORY WITHIN**  
8 **30 DAYS AFTER THE ALTERATION.**

9 **[(f)] (G)** (1) Any person who controls the right to use space on any pole,  
10 lamppost, or other mounting surface previously used in the county or municipality by the  
11 electric company for street lighting equipment shall allow a county or municipality that  
12 has purchased the street lighting equipment to assume the rights and obligations of the  
13 electric company with respect to the space for the unexpired term of any lease or other  
14 agreement under which the electric company used the space.

15 (2) Notwithstanding paragraph (1) of this subsection, the county or  
16 municipality may not restrict or prohibit universal access for electricity or any other service  
17 by assuming the rights and obligations of an electric company as to space on any pole,  
18 lamppost, or other mounting surface used for street lighting equipment.

19 **(H) ANY AGREEMENT OR CONTRACT FOR SALE OR LICENSE AGREEMENT**  
20 **THAT APPLIES TO EQUIPMENT MOUNTED ON JOINT USE POLES MAY NOT INCLUDE**  
21 **ANY FEES OR OTHER COSTS NOT INCLUDED IN THE CUSTOMER-OWNED STREET**  
22 **LIGHTING TARIFF UNDER § 4-212 OF THE PUBLIC UTILITIES ARTICLE.**

23 **(I) AN ELECTRIC COMPANY MAY NOT REQUIRE FROM A COUNTY OR**  
24 **MUNICIPALITY ACQUIRING STREET LIGHTING EQUIPMENT UNDER SUBSECTION (D)**  
25 **OF THIS SECTION:**

26 **(1) ANY PROTECTIONS OR INDEMNIFICATIONS; OR**

27 **(2) ANY STANDARDS THE ELECTRIC COMPANY DOES NOT CURRENTLY**  
28 **PROVIDE OR REQUIRE OF THE ELECTRIC COMPANY IN THE OPERATION AND**  
29 **MAINTENANCE OF STREET LIGHTING EQUIPMENT UNLESS REQUIRED BY STATE LAW**  
30 **OR REGULATION.**

31 **(J) ALL WORKERS EMPLOYED BY A COUNTY OR MUNICIPALITY TO OPERATE**  
32 **AND MAINTAIN STREET LIGHTING EQUIPMENT SHALL BE FULLY QUALIFIED AND**  
33 **MEET ANY FEDERAL AND STATE REQUIREMENTS.**

34 **[(3)] (K) (1) [Any] EXCEPT AFTER A COUNTY OR MUNICIPALITY**

1 INITIATES A CONDEMNATION PROCEEDING, ANY dispute between an electric company  
2 and a county or municipality [arising under this subsection shall] REGARDING THE FAIR  
3 MARKET VALUE OF THE STREET LIGHTING EQUIPMENT OR ANY OTHER MATTER  
4 ARISING IN CONNECTION WITH THE ACQUISITION OF STREET LIGHTING EQUIPMENT  
5 IN ACCORDANCE WITH SUBSECTION (D)(1) OF THIS SECTION MAY be submitted to the  
6 Public Service Commission for resolution.

7 (2) A DISPUTE SUBMITTED IN ACCORDANCE WITH PARAGRAPH (1) OF  
8 THIS SUBSECTION SHALL BE CONSIDERED BY THE PUBLIC SERVICE COMMISSION IN  
9 ACCORDANCE WITH THE COMPLAINT PROCEDURES ESTABLISHED UNDER § 3-102 OF  
10 THE PUBLIC UTILITIES ARTICLE.

11 (L) IF STREET LIGHTING EQUIPMENT IS THE SUBJECT OF A CONDEMNATION  
12 PROCEEDING BROUGHT UNDER THIS SECTION, A JURY IN THE PROCEEDING SHALL  
13 DETERMINE THE FAIR MARKET VALUE AS PROVIDED FOR IN THIS SECTION.

14 Article – Public Utilities

15 4-212.

16 (A) IN THIS SECTION, “STREET LIGHTING EQUIPMENT” HAS THE MEANING  
17 STATED IN § 1-1309 OF THE LOCAL GOVERNMENT ARTICLE.

18 (B) THIS SECTION DOES NOT APPLY TO MUNICIPAL ELECTRIC UTILITIES.

19 (C) (1) ON OR BEFORE OCTOBER 1, 2024, EACH ELECTRIC COMPANY  
20 SHALL FILE WITH THE COMMISSION A CUSTOMER-OWNED STREET LIGHTING  
21 TARIFF FOR STREET LIGHTING THAT INCLUDES ELECTRIC DISTRIBUTION SERVICE  
22 COSTS AND THE COSTS OF ANY APPLICABLE MAKE-READY WORK PERFORMED BY  
23 THE ELECTRIC COMPANY.

24 (2) (I) THE CUSTOMER-OWNED STREET LIGHTING TARIFF SHALL  
25 PROVIDE FOR MONTHLY BILLS FOR STREET LIGHTING THAT SHALL INCLUDE A  
26 SCHEDULE OF ELECTRICITY CHARGES BASED ON A DETERMINATION OF  
27 KILOWATT-HOUR USAGE PER LUMEN RATING OR NOMINAL WATTAGE OF ALL TYPES  
28 OF STREET LIGHTING EQUIPMENT BUT MAY NOT INCLUDE MANDATORY STREET  
29 LIGHTING FACILITY, SUPPORT, REACTIVE OR PREVENTIVE MAINTENANCE, FIXED  
30 MAINTENANCE, OR ACCESSORY CHARGES.

31 (II) THE DETERMINATION IN SUBPARAGRAPH (I) OF THIS  
32 PARAGRAPH SHALL BE MADE:

33 1. IN ACCORDANCE WITH APPROVED METHODS OF  
34 DETERMINATION FOR UNMETERED STREET LIGHTS; OR

1                                   **2.     BASED ON INFORMATION RECEIVED FROM LIGHTING**  
2 **CONTROLS THAT MEASURE USAGE AND COMPLY WITH ANSI C12.20.5 STANDARDS**  
3 **FOR ACCURACY.**

4                                   **(3)    THE CUSTOMER-OWNED STREET LIGHTING TARIFF SHALL**  
5 **PROVIDE FOR OPTIONS FOR VARIOUS STREET LIGHTING CONTROLS, INCLUDING:**

6                                   **(I)    CONVENTIONAL     DUSK/DAWN     OPERATION     USING**  
7 **PHOTOCELL TECHNOLOGY OR SCHEDULING CONTROLS;**

8                                   **(II)   SCHEDULE-BASED DIMMING OR ON/OFF CONTROLS THAT**  
9 **DIM OR TURN OFF STREET LIGHTS DURING PERIODS OF LOW ACTIVITY; AND**

10                                  **(III)  ACTUAL USAGE AS PROVIDED BY CONTROLS THAT PROVIDE**  
11 **THAT INFORMATION AND COMPLY WITH ANSI C12.20.5 STANDARDS FOR**  
12 **ACCURACY.**

13                                  **(D)    AFTER RECEIVING A CUSTOMER-OWNED STREET LIGHTING TARIFF**  
14 **FROM AN ELECTRIC COMPANY, THE COMMISSION SHALL ISSUE A DECISION**  
15 **REGARDING THE ADOPTION OF THE CUSTOMER-OWNED STREET LIGHTING TARIFF.**

16                                  **(E)    THE COMMISSION SHALL ISSUE A FINAL DETERMINATION ON A DISPUTE**  
17 **REGARDING THE TERMS OF A CUSTOMER-OWNED STREET LIGHTING TARIFF**  
18 **ADOPTED IN ACCORDANCE WITH THIS SECTION THAT IS SUBMITTED IN**  
19 **ACCORDANCE WITH THE COMPLAINT PROCEDURES ESTABLISHED IN § 3-102 OF**  
20 **THIS ARTICLE.**

21                   SECTION 2. AND BE IT FURTHER ENACTED, That:

22                   (a)    In this section, “investor-owned electric company” means an electric company  
23 that is not a municipal electric utility or an electric cooperative.

24                   (b)    On or before July 1, 2025, an investor-owned electric company shall submit a  
25 report to the Public Service Commission that includes:

26                                  (1)    the total number of streetlights owned or maintained by the  
27 investor-owned electric company; and

28                                  (2)    the total number of streetlights owned or maintained by the  
29 investor-owned electric company that use light-emitting diode technology.

30                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
31 1, 2024. Section 2 of this Act shall remain effective for a period of 1 year and 3 months and,  
32 at the end of September 30, 2025, Section 2 of this Act, with no further action required by



1 the General Assembly, shall be abrogated and of no further force and effect.