

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1562 (Delegate Wu)
Environment and Transportation

Consumer Protection - Telecommunications Service Outage - Automatic Credit
(Automatic Telecommunications Service Outage Credit Act)

This bill requires a commercial telecommunications service provider (*i.e.*, a person who is a provider of telecommunications services to retail consumers in the State, as defined under specified provisions of federal law) that experiences a “material service outage” to automatically apply a “service disruption credit” to the account of each customer affected. The credit must be applied (1) without requiring any customer action and (2) to the customer’s next billing statement or, if not practicable, not later than the second billing cycle immediately following the restoration of service. The minimum service disruption credit required under the bill must be at least a prorated amount that is equivalent to one full day of the customer’s recurring monthly service charge. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

Fiscal Summary

State Effect: The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill’s requirements with existing resources.

Local Effect: The bill’s imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Material service outage” means a disruption or unavailability of a commercial telecommunications service provider’s wireless voice, text, or data service that (1) lasts at least three consecutive hours and (2) affects a customer’s ability to access wireless service at the customer’s primary service location or within the provider’s covered service area.

“Service disruption credit” means a billing adjustment or credit applied to a customer’s account to compensate for a material service outage.

Nothing in the bill may be construed to (1) regulate telecommunications service rates or pricing structures or (2) prevent a commercial telecommunications service provider from providing a service disruption credit that is greater than the amount required under the bill.

A commercial telecommunications service provider must provide reasonable notice to affected customers of (1) the occurrence of material service outage; (2) the estimated duration of the outage, if known; and (3) the automatic application of a service disruption credit. The notice may be provided by text message, e-mail, through an application on a mobile device, or by posting on the service provider’s website.

Current Law: Wireless or cellular telecommunications services, as well as Voice-over-Internet Protocol services and international and interstate telephone services, are not regulated by the Public Service Commission. Cellular telephone companies are specifically excluded from the definition of a “telephone company” under the Public Utilities Article. The Wireless Telecommunications Bureau of the Federal Communications Commission licenses cellular telephone companies, while the Federal Trade Commission handles actions for deceptive marketing or fraudulent investment schemes.

Maryland Consumer Protection Act

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind, which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease-and-desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

Additional Information

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

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

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jg/jkb

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510