STATE OF NEW YORK

7963--A

2025-2026 Regular Sessions

IN ASSEMBLY

April 16, 2025

Introduced by M. of A. TAPIA -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to eliminating late fees for residential utility customers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 42 of the public service law, as added by chapter 713 of the laws of 1981, subdivision 3 as added by chapter 388 of the laws of 2011, is amended to read as follows:

§ 42. Other charges. 1. **(a)** A utility corporation or municipality may impose late payment charges **on non-residential customers** not in excess of one and one-half percent per month on the unpaid balance of any bill including any interest thereon**. No such late payment charge shall be imposed on any residential customer or small business customer**. Any such late payment charge **on non-residential customers**, however, may not be imposed if the bill is the subject of a pending complaint with the utility or municipality provided, however, that such charge may be imposed retroactively if the complaint is finally resolved in favor of the utility or municipality.

(b) For the purposes of this subdivision, the term "small business customer" shall mean a customer who is an electric customer that meets the criteria in subparagraph (i) of this paragraph, a gas customer that meets the criteria in subparagraph (ii) of this paragraph, or both:

(i) A non-residential electric service customer that receives service either under a non-demand billed rate, or under a demand billed rate, provided the highest metered demand was less than or equal to forty kilowatts during the previous twelve months;

(ii) A gas customer that has an actual gas consumption that does not exceed seven hundred fifty dekatherms per year, or, for customers with

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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less than one year of actual meter readings, is a gas customer that has an average actual monthly usage that when multiplied by twelve does not exceed seven hundred fifty dekatherms.

2. [~~Except as provided in subdivision one of this section, no~~] No utility corporation or municipality may charge any residential customer a late payment charge, penalty, fee, interest, or other charge of any kind for any late payment, collection effort, service disconnection or deferred payment agreement occasioned by the customer's failure to pay timely for gas or electric service.

3. The rights and responsibilities of residential customers participating in green jobs-green New York on-bill recovery pursuant to section sixty-six-m of this chapter shall be substantially comparable to those of electric and gas customers not participating in on-bill recovery, and charges for on-bill recovery shall be treated as charges for utility service for the purpose of this article, provided that:

(a) all determinations and safeguards related to the termination and reconnection of service shall apply to on-bill recovery charges billed by a utility pursuant to such section;

(b) in the event that the responsibility for making utility payments has been assumed by occupants of a multiple dwelling pursuant to section thirty-three of this article or by occupants of a two-family dwelling pursuant to section thirty-four of this article, such occupants shall not be billed for any arrears of on-bill recovery charges or any prospective on-bill recovery charges, which shall remain the responsibility of the incurring customer;

(c) deferred payment agreements pursuant to section thirty-seven of this article shall be available to customers participating in on-bill recovery on the same terms as other customers, and the utility shall retain the same discretion to defer termination of service as for any other delinquent customer;

(d) where a customer has a budget billing plan or levelized payment plan pursuant to section thirty-eight of this article, the utility shall recalculate the payments under such plan to reflect the projected effects of installing energy efficiency measures as soon as practicable after receipt of information on the energy audit and qualified energy efficiency services selected;

(e) on-bill recovery charges shall not be subject to the provisions of section forty-one of this article;

(f) late payment charges on unpaid on-bill recovery charges shall be determined as provided in this section, or as otherwise consented to by the customer in the agreement for green jobs-green New York on-bill recovery and any such charges shall be remitted to the New York state energy research and development authority;

(g) notwithstanding the provisions of section forty-three of this article, when a complaint is related solely to work performed under the green jobs-green New York program or to the appropriate amount of on-bill recovery charges, the utility shall only be required to inform the customer of the complaint handling procedures of the New York state energy research and development authority, which shall retain responsibility for handling such complaints, and such complaints shall not be deemed to be complaints about utility service in any other commission action or proceeding; and

(h) billing information provided pursuant to section forty-four of this article shall include information on green jobs-green New York on-bill recovery charges, including the basis for such charges, and any information or inserts provided by the New York state energy research

and development authority related thereto. In addition, at least annually the authority shall provide the utility with information for inclusion or insertion in the customer's bill that sets forth the amount and duration of remaining on-bill recovery charges and the authority's contact information and procedures for resolving customer complaints with such charges.

§ 2. This act shall take effect immediately.