

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1330
Committee Substitute Favorable 5/4/09

Short Title: Utilities/Collectors/Debt Collection.

(Public)

Sponsors:

Referred to:

April 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT PROHIBITING PUBLIC UTILITIES AND CITIES AND COUNTIES THAT
3 OPERATE PUBLIC ENTERPRISES FROM USING CERTAIN DEBT COLLECTION
4 PRACTICES THAT RESULT IN A CUSTOMER BEING LIABLE FOR THE PAST DUE
5 AND UNPAID DEBTS OF ANOTHER PERSON.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 7 of Chapter 62 of the General Statutes is amended by adding
8 a new section to read as follows:

9 "**§ 62-159.1. Debt collection practices.**

10 (a) A public utility shall not do any of the following in its debt collection practices:

11 (1) Suspend or disconnect service to a customer because of a past due and
12 unpaid balance for service incurred by another person who resides with the
13 customer after service has been provided to the customer's household, unless
14 one or more of the following apply:

15 a. The customer and the person were members of the same household at
16 a different location when the unpaid balance for service was
17 incurred.

18 b. The person was a member of the customer's current household when
19 the service was established and the person had an unpaid balance for
20 service at that time.

21 c. The person is or becomes billing responsible.

22 (2) Require that in order to continue service, a customer must agree to be liable
23 for the delinquent account of any other person who will reside in the
24 customer's household after the customer receives the service, unless one or
25 more of the following apply:

26 a. The customer and the person were members of the same household at
27 a different location when the unpaid balance for service was
28 incurred.

29 b. The person was a member of the customer's current household when
30 the service was established and the person had an unpaid balance for
31 service at that time.

32 (b) Notwithstanding the provisions of subsection (a) of this section, if a customer
33 misrepresents his or her identity in a written or verbal agreement for service or receives service
34 using another person's identity, the public utility shall have the power to collect a delinquent
35 account using any remedy provided by law for collecting and enforcing private debts from that
36 customer."



1 **SECTION 2.** G.S. 153A-277 is amended by adding a new subsection to read as
2 follows:

3 **"(b1)** A county shall not do any of the following in its debt collection practices:

4 **(1)** Suspend or disconnect service to a customer because of a past due and
5 unpaid balance for service incurred by another person who resides with the
6 customer after service has been provided to the customer's household, unless
7 one or more of the following apply:

8 **a.** The customer and the person were members of the same household at
9 a different location when the unpaid balance for service was
10 incurred.

11 **b.** The person was a member of the customer's current household when
12 the service was established and the person had an unpaid balance for
13 service at that time.

14 **c.** The person is or becomes billing responsible.

15 **(2)** Require that in order to continue service, a customer must agree to be liable
16 for the delinquent account of any other person who will reside in the
17 customer's household after the customer receives the service, unless one or
18 more of the following apply:

19 **a.** The customer and the person were members of the same household at
20 a different location when the unpaid balance for service was
21 incurred.

22 **b.** The person was a member of the customer's current household when
23 the service was established and the person had an unpaid balance for
24 service at that time.

25 **(b2)** Notwithstanding the provisions of subsection (b1) of this section, if a customer
26 misrepresents his or her identity in a written or verbal agreement for service or receives service
27 using another person's identity, the county shall have the power to collect a delinquent account
28 using any remedy provided by subsection (b) of this section from that customer."

29 **SECTION 3.** G.S. 160A-314 is amended by adding a new subsection to read as
30 follows:

31 **"(b1)** A city shall not do any of the following in its debt collection practices:

32 **(1)** Suspend or disconnect service to a customer because of a past due and
33 unpaid balance for service incurred by another person who resides with the
34 customer after service has been provided to the customer's household, unless
35 one or more of the following apply:

36 **a.** The customer and the person were members of the same household at
37 a different location when the unpaid balance for service was
38 incurred.

39 **b.** The person was a member of the customer's current household when
40 the service was established and the person had an unpaid balance for
41 service at that time.

42 **c.** The person is or becomes billing responsible.

43 **(2)** Require that in order to continue service, a customer must agree to be liable
44 for the delinquent account of any other person who will reside in the
45 customer's household after the customer receives the service, unless one or
46 more of the following apply:

47 **a.** The customer and the person were members of the same household at
48 a different location when the unpaid balance for service was
49 incurred.

1 b. The person was a member of the customer's current household when
2 the service was established and the person had an unpaid balance for
3 service at that time.

4 (b2) Notwithstanding the provisions of subsection (b1) of this section, if a customer
5 misrepresents his or her identity in a written or verbal agreement for service or receives service
6 using another person's identity, the city shall have the power to collect a delinquent account
7 using any remedy provided by subsection (b) of this section from that customer."

8 **SECTION 4.** G.S. 58-70-110 is amended by adding a new subdivision to read as
9 follows:

10 **"§ 58-70-110. Deceptive representation.**

11 No collection agency shall collect or attempt to collect a debt or obtain information
12 concerning a consumer by any fraudulent, deceptive or misleading representation. Such
13 representations include, but are not limited to, the following:

14 ...

15 (8) Communicating with the consumer in violation of the provisions of
16 G.S. 62-159.1(a), 153A-277(b1), or 160A-314(b1)."

17 **SECTION 5.** G.S. 75-54 is amended by adding a new subdivision to read as
18 follows:

19 **"§ 75-54. Deceptive representation.**

20 No debt collector shall collect or attempt to collect a debt or obtain information concerning
21 a consumer by any fraudulent, deceptive or misleading representation. Such representations
22 include, but are not limited to, the following:

23 ...

24 (8) Communicating with the consumer in violation of the provisions of
25 G.S. 62-159.1(a), 153A-277(b1), or 160A-314(b1)."

26 **SECTION 6.** This act becomes effective July 1, 2009.