

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

4

HOUSE BILL 1330
Committee Substitute Favorable 5/4/09
Committee Substitute #2 Favorable 5/13/09
Fourth Edition Engrossed 5/14/09

Short Title: Utilities/Collectors/Debt Collection.

(Public)

Sponsors:

Referred to:

April 9, 2009

A BILL TO BE ENTITLED

AN ACT PROHIBITING PUBLIC UTILITIES, ELECTRIC MEMBERSHIP CORPORATIONS, TELEPHONE MEMBERSHIP CORPORATIONS, AND CITIES AND COUNTIES THAT OPERATE PUBLIC ENTERPRISES FROM USING CERTAIN DEBT COLLECTION PRACTICES THAT RESULT IN A CUSTOMER BEING LIABLE FOR THE PAST DUE AND UNPAID DEBTS OF ANOTHER PERSON.

The General Assembly of North Carolina enacts:

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

"§ 62-159.1. Debt collection practices.

(a) A public utility, electric membership corporation, and telephone membership corporation shall not do any of the following in its debt collection practices:

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

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

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

c. The person is or becomes responsible for the bill for the service to the customer.

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

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

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



1 (b) Notwithstanding the provisions of subsection (a) of this section, if a customer
2 misrepresents his or her identity in a written or verbal agreement for service or receives service
3 using another person's identity, the public utility, electric membership corporation, and
4 telephone membership corporation shall have the power to collect a delinquent account using
5 any remedy provided by law for collecting and enforcing private debts from that customer."

6 **SECTION 2.** G.S. 153A-277 is amended by adding two new subsections to read as
7 follows:

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

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

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

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

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

23 a. The customer and the person were members of the same household at
24 a different location when the unpaid balance for service was
25 incurred.

26 b. The person was a member of the customer's current household when
27 the service was established, and the person had an unpaid balance for
28 service at that time.

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

33 **SECTION 3.(a)** G.S. 160A-314 is amended by adding two new subsections to read
34 as follows:

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

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

40 a. The customer and the person were members of the same household at
41 a different location when the unpaid balance for service was
42 incurred.

43 b. The person was a member of the customer's current household when
44 the service was established, and the person had an unpaid balance for
45 service at that time.

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

1 a. The customer and the person were members of the same household at
2 a different location when the unpaid balance for service was
3 incurred.

4 b. The person was a member of the customer's current household when
5 the service was established, and the person had an unpaid balance for
6 service at that time.

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

11 **SECTION 3.(b)** G.S. 160A-314(d) reads as rewritten:

12 "(d) Notwithstanding subsection (b1) of this section, rents,~~Rents~~, rates, fees, charges, and
13 penalties for enterprisory services shall be legal obligations of the owner of the premises served
14 when:

15 (1) The property or premises is leased or rented to more than one tenant and
16 services rendered to more than one tenant are measured by the same meter.

17 (2) Charges made for use of a sewage system are billed separately from charges
18 made for the use of a water distribution system."

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

21 "**§ 58-70-110. Deceptive representation.**

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

25 ...

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

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

30 "**§ 75-54. Deceptive representation.**

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

34 ...

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

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