

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

D

HOUSE BILL 1330
Committee Substitute Favorable 5/4/09
Committee Substitute #2 Favorable 5/13/09
Fourth Edition Engrossed 5/14/09
PROPOSED SENATE COMMITTEE SUBSTITUTE H1330-PCS80474-TD-43

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

7 The General Assembly of North Carolina enacts:

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

10 "**§ 62-159.1. Debt collection practices.**

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

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

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

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

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

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

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



* H 1 3 3 0 - P C S 8 0 4 7 4 - T D - 4 3 *

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 (b) Notwithstanding the provisions of subsection (a) 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 public utility, electric membership corporation, and
7 telephone membership corporation shall have the power to collect a delinquent account using
8 any remedy provided by law for collecting and enforcing private debts from that customer."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 "**§ 58-70-110. Deceptive representation.**

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

31 ...

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

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

36 "**§ 75-54. Deceptive representation.**

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

40 ...

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

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