

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

H

1

HOUSE BILL 1330

Short Title: Utilities/Collectors/Debt Collection. (Public)

Sponsors: Representatives Bryant, Adams, Jones (Primary Sponsors); Fisher, Harrison, Luebke, and Wainwright.

Referred to: Public Utilities, if favorable, Judiciary I.

April 9, 2009

A BILL TO BE ENTITLED

AN ACT PROHIBITING PUBLIC UTILITIES 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, AND PROHIBITING COLLECTION AGENCIES AND DEBT COLLECTORS FROM COLLECTING OR ATTEMPTING TO COLLECT A DEBT BY CLAIMING THAT A CONSUMER IS LEGALLY RESPONSIBLE FOR THE 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:

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

(a) A public utility shall have the power to collect a delinquent account only from the customer to whom the public utility has agreed to provide service in a written or verbal agreement. A public utility shall not do any of the following in its debt collection practices:

- (1) Deny, 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 at the time the customer applies for service or who will reside with the customer after service has been provided to the customer's household.
- (2) Transfer the delinquent obligation of another person to the customer's account.
- (3) Require or receive information from an applicant for service about the names, relationship to the applicant, and social security numbers of other adults living in the applicant's household.
- (4) Require that in order to receive service or to continue service, an applicant must agree to be liable for the delinquent account of any other person residing in the applicant's household or any other person who will reside in the applicant's household.

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

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



\* H 1 3 3 0 - V - 1 \*

1        "(b1) A county shall have power to collect a delinquent account only from the customer to  
2 whom the county has agreed to provide service in a written or verbal agreement. A county shall  
3 not do any of the following in its debt collection practices:

4            (1)    Deny, suspend, or disconnect service to a customer because of a past due  
5 and unpaid balance for service incurred by another person who resides with  
6 the customer at the time the customer applies for service or who will reside  
7 with the customer after service has been provided to the customer's  
8 household.

9            (2)    Transfer the delinquent obligation of another person to the customer's  
10 account.

11           (3)    Require or receive information from an applicant for service about the  
12 names, relationship to the applicant, and social security numbers of other  
13 adults living in the applicant's household.

14           (4)    Require that in order to receive service or to continue service, an applicant  
15 must agree to be liable for the delinquent account of any other person  
16 residing in the applicant's household or any other person who will reside in  
17 the applicant's household.

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

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

23        "(b1) A city shall have power to collect a delinquent account only from the customer to  
24 whom the city has agreed to provide service in a written or verbal agreement. A city shall not  
25 do any of the following in its debt collection practices:

26            (1)    Deny, suspend, or disconnect service to a customer because of a past due  
27 and unpaid balance for service incurred by another person who resides with  
28 the customer at the time the customer applies for service or who will reside  
29 with the customer after service has been provided to the customer's  
30 household.

31            (2)    Transfer the delinquent obligation of another person to the customer's  
32 account.

33            (3)    Require or receive information from an applicant for service about the  
34 names, relationship to the applicant, and social security numbers of other  
35 adults living in the applicant's household.

36            (4)    Require that in order to receive service or to continue service, an applicant  
37 must agree to be liable for the delinquent account of any other person  
38 residing in the applicant's household or any other person who will reside in  
39 the applicant's household.

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

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

45        **"§ 58-70-110. Deceptive representation.**

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

49        ...

1           (8)   Claiming in any way that the consumer is legally responsible for the debts of  
2                   another person, including another person who resides in or will reside in the  
3                   customer's household."

4           **SECTION 5.** G.S. 75-54 is amended by adding a new subdivision to read:

5   **"§ 75-54. Deceptive representation.**

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

9           ...  
10          (8)   Claiming in any way that the consumer is legally responsible for the debts of  
11                   another person, including another person who resides in or will reside in the  
12                   customer's household."

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