

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 1330  
Committee Substitute Favorable 5/4/09  
Committee Substitute #2 Favorable 5/13/09

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, 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 billing responsible.

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 (b) Notwithstanding the provisions of subsection (a) 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 public utility, electric membership corporation, and



1 telephone membership corporation shall have the power to collect a delinquent account using  
2 any remedy provided by law for collecting and enforcing private debts from that customer."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 12               (1)    The property or premises is leased or rented to more than one tenant and  
13                        services rendered to more than one tenant are measured by the same meter.  
14               (2)    Charges made for use of a sewage system are billed separately from charges  
15                        made for the use of a water distribution system."

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

18   "**§ 58-70-110. Deceptive representation.**

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

- 22               ...
- 23               (8)    Communicating with the consumer in violation of the provisions of  
24                        G.S. 62-159.1(a), 153A-277(b1), or 160A-314(b1)."

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

27   "**§ 75-54. Deceptive representation.**

28   No debt collector shall collect or attempt to collect a debt or obtain information concerning  
29   a consumer by any fraudulent, deceptive or misleading representation. Such representations  
30   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 6.** This act becomes effective July 1, 2009.