

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

SESSION LAW 2009-302  
HOUSE BILL 1330

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.

(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, electric membership corporation, and telephone membership corporation 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 two new subsections to read as follows:



"(b1) A county 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.

(b2) Notwithstanding the provisions of subsection (b1) 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 county shall have the power to collect a delinquent account using any remedy provided by subsection (b) of this section from that customer."

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

"(b1) A city 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.

(b2) Notwithstanding the provisions of subsection (b1) 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 city shall have the power to collect a delinquent account using any remedy provided by subsection (b) of this section from that customer."

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

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

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

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

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

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

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

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

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

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

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

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 7<sup>th</sup> day of July, 2009.

s/ Walter H. Dalton  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives

s/ Beverly E. Perdue  
Governor

Approved 5:17 p.m. this 17<sup>th</sup> day of July, 2009