
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1392 Session of
2015

INTRODUCED BY DUSH, D. COSTA AND RADER, JUNE 25, 2015

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 25, 2015

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, providing
3 for cash deposits and household information requirements.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 53 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 5607.1. Cash deposits and household information requirements.

9 (a) General rule.--In addition to the powers granted under
10 section 5607 (relating to purposes and powers), a municipal
11 authority may require a cash deposit, payable when a new account
12 is opened with the authority, in an amount that is equal to one-
13 sixth of the applicant's estimated annual bill at the time the
14 municipal authority determines a deposit is required, from:

15 (1) An applicant who previously received utility
16 distribution services and was a customer of the municipal
17 authority and whose service was terminated for any of the
18 following reasons:

19 (i) Nonpayment of an undisputed delinquent account.

1 (ii) Failure to complete payment of a deposit,
2 provide a guarantee or establish credit.

3 (iii) Failure to permit access to meters, service
4 connections or other property of the municipal authority
5 for the purpose of replacement, maintenance, repair or
6 meter reading.

7 (iv) Unauthorized use of the utility service
8 delivered on or about the affected dwelling.

9 (v) Failure to comply with the material terms of a
10 settlement or payment arrangement.

11 (vi) Fraud or material misrepresentation of identity
12 for the purpose of obtaining utility service.

13 (vii) Tampering with meters, including, but not
14 limited to, bypassing a meter or removal of an automatic
15 meter reading device or other municipal authority
16 equipment.

17 (2) An applicant or customer who is unable to establish
18 creditworthiness to the satisfaction of the municipal
19 authority through the use of a generally accepted credit
20 scoring methodology and which employs standards for using the
21 methodology that falls within the range of general industry
22 practice.

23 (3) A customer who fails to comply with a material term,
24 or condition of a settlement or payment agreement.

25 (b) Cash deposit prohibition.--Notwithstanding subsection
26 (a), no municipal authority may require a customer or applicant
27 that is confirmed to be eligible for a customer assistance
28 program to provide a cash deposit.

29 (c) Third-party guarantor.--An applicant may provide a
30 third-party guarantor in lieu of a cash deposit. The guarantee

1 must be in writing and state the terms of the guarantee. The
2 guarantor shall be responsible for all missed payments owed to
3 the municipal authority.

4 (d) Deposit holding period.--A municipal authority may hold
5 a deposit as follows:

6 (1) The municipal authority may hold the deposit until a
7 timely payment history is established. A timely payment
8 history is established when a customer has paid in full and
9 on time for 12 consecutive months.

10 (2) At the end of the deposit holding period, the
11 municipal authority shall deduct the outstanding balance from
12 the deposit and return or credit any positive difference to
13 the customer.

14 (3) If service is terminated before the end of the
15 deposit holding period, the municipal authority shall deduct
16 the outstanding balance from the deposit and return any
17 positive difference to the customer within 60 days of the
18 termination.

19 (4) If a customer becomes delinquent before the end of
20 the deposit holding period, the municipal authority may
21 deduct the outstanding balance from the deposit.

22 (e) Interest on deposit.--A municipal authority shall accrue
23 interest on a deposit, until it is returned or credited, as
24 follows:

25 (1) Interest shall be computed at the simple annual
26 interest rate determined by the Secretary of Revenue for
27 interest on taxes due to the Commonwealth under section 806
28 of the act of April 9, 1929 (P.L.343, No.176), known as The
29 Fiscal Code.

30 (2) The interest rate in effect when deposit is required

1 to be paid shall remain in effect until the date the deposit
2 is refunded or credited or December 31 of that year,
3 whichever is later.

4 (3) On January 1 of each year, the new interest rate for
5 that year will apply to the deposit.

6 (f) Adult occupants.--Prior to providing utility service, a
7 municipal authority may require the applicant to provide the
8 names of each adult occupant residing at the location and proof
9 of their identity.

10 (g) Failure to pay full amount of cash deposit.--A municipal
11 authority shall not be required to provide service if the
12 applicant or customer fails to pay the full amount of the cash
13 deposit required under subsection (a).

14 (h) Estimated annual bill.--For purposes of this section, an
15 estimated annual bill shall be calculated on the basis of the
16 annual bill to the dwelling at which service is being requested
17 for the prior 12 months or, if unavailable, a similar dwelling
18 in close proximity.

19 (i) Time for paying deposits upon reconnection.--Applicants
20 and customers required to pay a deposit upon reconnection under
21 subsection (a)(1) shall have up to 90 days to pay the deposit.

22 Section 2. This act shall take effect in 60 days.