

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:

1           (i) Nonpayment of an undisputed delinquent account.

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

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

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

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

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

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

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

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

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

30           (c) Third-party guarantor.--An applicant may provide a

1 third-party guarantor in lieu of a cash deposit. The guarantee  
2 must be in writing and state the terms of the guarantee. The  
3 guarantor shall be responsible for all missed payments owed to  
4 the municipal authority.

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

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

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

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

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

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

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

1       (2) The interest rate in effect when deposit is required  
2       to be paid shall remain in effect until the date the deposit  
3       is refunded or credited or December 31 of that year,  
4       whichever is later.

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

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

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

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

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

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