



House of Representatives

General Assembly

File No. 132

February Session, 2000

Substitute House Bill No. 5477

House of Representatives, March 20, 2000

The Committee on Banks reported through REP. LANDINO of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

An Act Concerning The Ability Of Public Utilities To Disclose Credit History To Credit Bureaus.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Subsection (g) of section 16-262d of the general statutes is repealed
2 and the following is substituted in lieu thereof:

3 (g) (1) No electric, gas, telephone or water public service company
4 and no municipal utility furnishing electric, gas or water service shall
5 submit to a credit rating agency, as defined in section 36a-695, any
6 information about a residential customer's nonpayment for electric,
7 gas, telephone or water service unless the customer is more than sixty
8 days delinquent in paying for such service. In no event shall such a
9 company or municipal utility submit to a credit rating agency any
10 information about a residential customer's nonpayment for such
11 service if the customer has initiated a complaint, investigation hearing
12 or appeal with regard to such service under subsection (c) of this
13 section that is pending before the department.

14 (2) Each electric, gas, telephone and water public service company
15 and each municipal utility furnishing electric, gas or water service that
16 reports a customer's credit history to a credit rating agency shall, with
17 each bill for utility service submitted to a customer, include (A) an
18 explanation that the company or utility has the right to report a
19 customer's credit history to a credit rating agency, including the right
20 to report nonpayment if a customer is more than sixty days delinquent
21 in paying for utility service, (B) an explanation of what a credit report
22 is, what a credit rating agency is, which federal laws govern credit
23 reporting and which state laws govern credit reporting, (C) a
24 description of the type of subscription agreement the company or
25 utility has with the credit rating agency, such as whether it reports
26 both positive and negative payment history on a monthly basis or
27 whether it only reports negative payment history, and (D) an
28 explanation of the credit consequences of late payments or
29 nonpayment. The department may adopt regulations in accordance
30 with chapter 54 to carry out the provisions of this subsection.

BA Committee Vote: Yea 14 Nay 4 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Public Utility Control

Municipal Impact: None

Explanation

State Impact:

The bill permits, but does not require, the Department of Public Utility Control (DPUC) to adopt regulations to allow utilities to report a customer's credit history to a credit rating agency if the utility complies with provisions established in the bill. It is anticipated that the DPUC can adopt regulations within the normal budgetary resources of the agency, thus there is no fiscal impact.

OLR Bill Analysis

sHB 5477

AN ACT CONCERNING THE ABILITY OF PUBLIC UTILITIES TO DISCLOSE CREDIT HISTORY TO CREDIT BUREAUS.

SUMMARY:

This bill requires a utility that reports a customer's credit history to a credit rating agency to include with each bill it submits to a customer:

1. an explanation that it has the right to report a customer's credit history to a credit rating agency, including the right to report a customer who is more than 60 days delinquent;
2. an explanation of what a credit report is, what a credit rating agency is, and which federal and state laws govern credit reporting;
3. a description of the type of subscription agreement the utility has with the credit agency, such as whether it reports both positive and negative payment history monthly or only negative history; and
4. an explanation of the credit consequences of not paying or paying late.

The bill applies to telephone companies and private and municipal electric, gas, and water companies. The Department of Public Utility Control may adopt regulations to implement the bill.

EFFECTIVE DATE: October 1, 2000

BACKGROUND

Related Bill

sSB 324 (File No. 28), reported favorably by the Energy and Public Utilities Committee, requires utilities to give customers 30 days written notice before reporting their delinquency to a credit rating

agency.

Related Law

Under the state’s credit reporting law, a “credit report “ is any written or oral report, recommendation or representation of a credit rating agency as to the credit worthiness, credit standing, or credit capacity of any consumer, including information sought or given to serve as the basis for determining eligibility for credit to be used primarily for personal, family, or household purposes. A “credit rating agency” is any person whose business is assembling and evaluating information as to the credit standing and credit worthiness of a consumer for the purpose of furnishing credit report, for monetary fees and dues to third parties. The state law mainly regulates disclosures that lenders who deny credit to must make to consumers about credit reporting agencies and the consumer’s own access to his credit reports. Federal law regulates the actions of credit agencies (it refers to them as “consumer reporting agencies”) more extensively and contains similar definitions.

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea 14 Nay 4