

AMENDED IN SENATE JANUARY 31, 1996

AMENDED IN ASSEMBLY MAY 4, 1995

AMENDED IN ASSEMBLY APRIL 5, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 1770

Introduced by Assembly Member ~~Kuykendall~~ Brewer

February 24, 1995

~~An act to amend Section 709 of the Public Utilities Code, relating to telecommunications. An act to amend Sections 10009.6, 10016, 12811.1, 12811.5, and 12822.6 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1770, as amended, ~~Kuykendall~~ Brewer. ~~Telecommunications—Public utilities: services to tenants.~~

~~Existing law declares the policies for telecommunications in California.~~

~~This bill would also declare that a policy for telecommunications is to remove the regulatory barriers hindering fair, unbiased, competition and foster an open, free, competitive marketplace in the wireless industry.~~

~~(1) Existing law provides for the furnishing of utility services, including residential electrical, gas, heat, and water services, by privately owned public utilities subject to the jurisdiction and control of the Public Utilities Commission and~~

similar services by publicly owned public utilities, including municipal corporations subject to their governing bodies and municipal utility districts and public utility districts subject to their boards of directors. Existing law requires the decision of a district to require a new residential applicant to deposit a sum of money, prior to establishing an account and furnishing service, to be based solely upon the credit worthiness of the applicant as determined by the entity.

This bill would, with respect to municipally owned utilities and municipal utility districts, prohibit the seeking of any recovery of charges or penalties for the furnishing of services from any subsequent tenant or the property owner due to nonpayment of charges by a previous tenant. For this purpose, a subsequent tenant would not include an adult who lived at the residence when the charges or penalties accrued. The bill would prohibit these public utilities from demanding or receiving security in an amount that exceeds specified amounts. The bill would authorize the public utility, in the event of tenant nonpayment of all or a portion of the bill, to apply the deposit to the final bill issued when service is terminated.

Because this bill would create new duties for municipally owned utilities and municipal utility districts, the bill would impose a state-mandated local program.

(2) Existing law prohibits any water corporation, municipality, district, or other public agency furnishing water for residential use to a tenant to seek to recover charges or penalties for the furnishing of water to or for the tenant's residential use from any subsequent tenant because of the nonpayment of charges by a previous tenant, but permits the corporation, municipality, district, or public agency to require that service to subsequent tenants be furnished on the landlord's or property owner's account.

This bill would, with respect to municipally owned utilities and municipal utility districts, authorize the public utility to collect a deposit from a tenant service applicant prior to establishing an account for the tenant. The bill would prohibit these public utilities from demanding or receiving security in an amount that exceeds specified amounts. The bill would authorize these public utilities, in the event of tenant



nonpayment of all or a portion of the bill, to apply the deposit to the final bill issued when service is terminated.

The bill would prohibit the municipal corporation or district from requiring that service to subsequent tenants be furnished on the account of the landlord or property owner unless the property owner consents through a written agreement.

(3) Existing law provides that accounts of a municipal utility district that are delinquent become a lien on the property to which services were rendered, with the force, effect, and priority of a judgment lien, when a certificate to this effect is filed for recordation with the county recorder.

This bill would exempt residential property from this provision.

(4) This bill would not apply to master-metered apartment buildings.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(6) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~ 2/3. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 709 of the Public Utilities Code~~
- 2 *SECTION 1. Section 10009.6 of the Public Utilities*
- 3 *Code is amended to read:*
- 4 10009.6. (a) The decision of a public utility to require
- 5 a new residential applicant to deposit a sum of money



1 with the public utility prior to establishing an account and
2 furnishing service shall be based solely upon the credit
3 worthiness of the applicant as determined by the public
4 utility.

5 *(b) No municipal corporation owning or operating a*
6 *public utility furnishing services for residential use to a*
7 *tenant under an account established by the tenant shall*
8 *seek to recover any charges or penalties for the furnishing*
9 *of services to or for the tenant's residential use from any*
10 *subsequent tenant or the property owner due to*
11 *nonpayment of charges by a previous tenant. For this*
12 *purpose, the term "subsequent tenant" shall not include*
13 *any adult person who lived at the residence during the*
14 *period that the charges or penalties accrued. The*
15 *municipal corporation may collect a deposit from the*
16 *tenant service applicant prior to establishing an account*
17 *for the tenant. The municipal corporation may not*
18 *require that service to subsequent tenants be furnished*
19 *on the account of the landlord or property owner unless*
20 *the property owner consents through a written*
21 *agreement.*

22 *(c) A public utility subject to this section may not*
23 *demand or receive security in an amount that exceeds*
24 *twice the estimated average periodic bill or three times*
25 *the estimated average monthly bill.*

26 *(d) In the event of tenant nonpayment of all or a*
27 *portion of the bill, the deposit shall be applied to the final*
28 *bill issued when service is terminated.*

29 *(e) This section shall not apply to master-metered*
30 *apartment buildings.*

31 *SEC. 2. Section 10016 of the Public Utilities Code is*
32 *amended to read:*

33 10016. *(a) No municipal corporation owning or*
34 *operating a public utility furnishing water for residential*
35 *use to a tenant under an account established by the tenant*
36 *shall seek to recover any charges or penalties for the*
37 *furnishing of water to or for the tenant's residential use*
38 *from any subsequent tenant ~~on account of~~ or the property*
39 *owner due to nonpayment of charges by a previous*
40 *tenant. For this purpose the term "subsequent tenant"*



1 shall not include any adult person who lived at the
2 residence during the period that the charges or penalties
3 accrued. The municipal corporation may collect a deposit
4 from the tenant service applicant prior to establishing an
5 account for the tenant. The municipal corporation may;
6 ~~however,~~ not require that service to subsequent tenants
7 be furnished on the account of the landlord or property
8 owner unless the property owner consents through a
9 written agreement.

10 (b) A public utility subject to this section may not
11 demand or receive security in an amount that exceeds
12 twice the estimated average periodic bill or three times
13 the estimated average monthly bill.

14 (c) In the event of tenant nonpayment of all or a
15 portion of the bill, the deposit shall be applied to the final
16 bill issued when service is terminated.

17 (d) This section shall not apply to master-metered
18 apartment buildings.

19 SEC. 3. Section 12811.1 of the Public Utilities Code is
20 amended to read:

21 12811.1. (a) A district may, by resolution or
22 ordinance, require the owner of record of real property
23 within the district to pay the fees, tolls, rates, rentals, or
24 other charges for services rendered to a lessee, tenant, or
25 ~~other occupant of the property~~ subtenant and those fees,
26 tolls, rates, rentals, and other charges that have become
27 delinquent, together with interest and penalties thereon,
28 are a lien on the property when a certificate is filed in the
29 office of the county recorder pursuant to subdivision (b)
30 and the lien has the force, effect, and priority of a
31 judgment lien. No lien may be created under this section
32 on any publicly owned property.

33 (b) A lien under this section attaches when the district
34 files for recordation in the office of the county recorder
35 a certificate specifying the amount of the delinquent fees,
36 tolls, rates, rentals, or other charges together with interest
37 and penalties thereon; the name of the owner of record
38 of the property to which services were rendered by the
39 district; and the legal description of the property. Within
40 30 days of receipt of payment of all amounts due,



1 including recordation fees paid by the district, the district
2 shall file for recordation a release of the lien.

3 (c) In filing any instrument for recordation under this
4 section, the district shall pay the fees specified in Sections
5 27361 and 27361.4 of the Government Code.

6 (d) The remedies in this section are in addition to any
7 other remedy provided by law.

8 (e) This section does not apply to delinquent fees or
9 charges for the furnishing of water to residential property
10 or electrical service.

11 *SEC. 4. Section 12811.5 of the Public Utilities Code is*
12 *amended to read:*

13 12811.5. (a) No district furnishing water for
14 residential use to a tenant *under an account established*
15 *by the tenant* shall seek to recover any charges or
16 penalties for the furnishing of water to or for the tenant's
17 residential use from any subsequent tenant ~~on account of~~
18 *or the property owner due to nonpayment of charges by*
19 *a previous tenant. For this purpose the term "subsequent*
20 *tenant" shall not include any adult person who lived at*
21 *the residence during the period that the charges or*
22 *penalties accrued. The district may collect a deposit from*
23 *the tenant service applicant prior to establishing an*
24 *account for the tenant. The district may, ~~however,~~ not*
25 *require that service to subsequent tenants be furnished*
26 *on the account of the landlord or property owner unless*
27 *the property owner consents through a written*
28 *agreement.*

29 (b) *A public utility subject to this section may not*
30 *demand or receive security in an amount that exceeds*
31 *twice the estimated average periodic bill or three times*
32 *the estimated average monthly bill.*

33 (c) *In the event of tenant nonpayment of all or a*
34 *portion of the bill, the deposit shall be applied to the final*
35 *bill issued when service is terminated.*

36 (d) *This section shall not apply to master-metered*
37 *apartment buildings.*

38 *SEC. 5. Section 12822.6 of the Public Utilities Code is*
39 *amended to read:*



1 12822.6. (a) The decision of a district to require a new
2 residential applicant to deposit a sum of money with the
3 district prior to establishing an account and furnishing
4 service shall be based solely upon the credit worthiness of
5 the applicant as determined by the district.

6 (b) *No municipal utility district owning or operating*
7 *a public utility furnishing services for residential use to a*
8 *tenant under an account established by the tenant shall*
9 *seek to recover any charges or penalties for the furnishing*
10 *of services to or for the tenant's residential use from any*
11 *subsequent tenant or the property owner due to*
12 *nonpayment of charges by a previous tenant. For this*
13 *purpose, the term "subsequent tenant" shall not include*
14 *any adult person who lived at the residence during the*
15 *period that the charges or penalties accrued. The district*
16 *may collect a deposit from the tenant service applicant*
17 *prior to establishing an account for the tenant. The*
18 *district may not require that service to subsequent*
19 *tenants be furnished on the account of the landlord or*
20 *property owner unless the property owner consents*
21 *through a written agreement.*

22 (c) *A district subject to this section may not demand*
23 *or receive security in an amount that exceeds twice the*
24 *estimated average periodic bill or three times the*
25 *estimated average monthly bill.*

26 (d) *In the event of tenant nonpayment of all or a*
27 *portion of the bill, the deposit shall be applied to the final*
28 *bill issued when service is terminated.*

29 (e) *This section shall not apply to master-metered*
30 *apartment buildings.*

31 *SEC. 6. Notwithstanding Section 17610 of the*
32 *Government Code, if the Commission on State Mandates*
33 *determines that this act contains costs mandated by the*
34 *state, reimbursement to local agencies and school*
35 *districts for those costs shall be made pursuant to Part 7*
36 *(commencing with Section 17500) of Division 4 of Title*
37 *2 of the Government Code. If the statewide cost of the*
38 *claim for reimbursement does not exceed one million*
39 *dollars (\$1,000,000), reimbursement shall be made from*
40 *the State Mandates Claims Fund.*



1 *Notwithstanding Section 17580 of the Government*
2 *Code, unless otherwise specified, the provisions of this act*
3 *shall become operative on the same date that the act*
4 *takes effect pursuant to the California Constitution.*

5 *SEC. 7. This act is an urgency statute necessary for the*
6 *immediate preservation of the public peace, health, or*
7 *safety within the meaning of Article IV of the*
8 *Constitution and shall go into immediate effect. The facts*
9 *constituting the necessity are:*

10 *In order to prohibit the imposition of unfair charges on*
11 *tenants at the earliest possible time, it is necessary that*
12 *this act take effect immediately.*

13 ~~is amended to read:~~

14 ~~709. The Legislature hereby finds and declares that~~
15 ~~the policies for telecommunications in California are as~~
16 ~~follows:~~

17 ~~(a) To continue our universal service commitment by~~
18 ~~assuring the continued affordability and widespread~~
19 ~~availability of high-quality telecommunications service to~~
20 ~~all Californians.~~

21 ~~(b) To encourage the development and deployment~~
22 ~~of new technologies and the equitable provision of~~
23 ~~services in a way that efficiently meets consumer need~~
24 ~~and encourages the ubiquitous availability of a wide~~
25 ~~choice of state-of-the-art services.~~

26 ~~(c) To promote economic growth, job creation, and~~
27 ~~the substantial social benefits that will result from the~~
28 ~~rapid implementation of advanced information and~~
29 ~~communications technologies by adequate long-term~~
30 ~~investment in the necessary infrastructure.~~

31 ~~(d) To promote lower prices, broader consumer~~
32 ~~choice, and avoidance of anticompetitive conduct.~~

33 ~~(e) To remove the barriers to open and competitive~~
34 ~~markets and promote fair product and price competition~~
35 ~~in a way that encourages greater efficiency, lower prices,~~
36 ~~and more consumer choice.~~



1 ~~(f) To remove the regulatory barriers hindering fair,~~
2 ~~unbiased, competition and foster an open, free,~~
3 ~~competitive marketplace in the wireless industry.~~

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