

1 HB418
2 210086-1
3 By Representative Scott
4 RFD: Ways and Means Education
5 First Read: 23-FEB-21

SYNOPSIS: Under existing law, utilities operating in the state may require a cash deposit from a prospective customer for the purpose of guaranteeing final payment and may require that deposit be received prior to beginning service or coincident with the first monthly bill. A utility may withhold or discontinue utility services if a deposit is not made at the time specified by the utility.

This bill would authorize the Alabama Commission on Higher Education to serve as a guarantor of utility deposits for Alabama residents who recently graduated from a postsecondary institution and who are establishing a new residence for the purpose of being nearer to their employer.

A BILL
TO BE ENTITLED
AN ACT

1
2 Relating to public utilities; to provide for the
3 creation of a program through which the state may guarantee
4 utility deposits for eligible participants.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. (a) As used in this act, the following
7 terms shall have the following meanings:

8 (1) COMMISSION. The Alabama Commission on Higher
9 Education.

10 (2) ELIGIBLE PARTICIPANT. A graduate of an Alabama
11 public or private college or university who satisfies all of
12 the following:

13 a. Has been offered a full-time position, in
14 writing, from an employer in the State of Alabama within 60
15 months of his or her graduation date.

16 b. Is in the process of establishing a new domicile
17 within the State of Alabama for the purposes of that full-time
18 employment, or has established a new domicile for those
19 purposes within 30 days prior to the date of application.

20 (3) PROGRAM RECIPIENT. An eligible participant who
21 meets all of the criteria set forth by rule by the Alabama
22 Commission on Higher Education for participation in a utility
23 guarantor program.

24 (4) UTILITY. An entity that offers electricity,
25 natural gas, water, sewage, or trash collection services and
26 requires a security deposit or guarantor for a new customer to

1 receive those services. The term does not include
2 telecommunications or transportation-related utilities.

3 (5) UTILITY GUARANTOR PROGRAM or PROGRAM. A program
4 through which the State of Alabama may guarantee utility
5 deposits for eligible participants.

6 (b) The Alabama Commission on Higher Education shall
7 establish and administer a utility guarantor program
8 consistent with the requirements of this act. Any Alabama
9 resident may apply to the commission to become a program
10 recipient.

11 (c) Prior to enrollment in the program, the
12 commission shall verify that an applicant is an eligible
13 participant for the program and meets all of the criteria to
14 become a program recipient.

15 (d) Upon verification that an applicant satisfies
16 all criteria for the program, the commission shall issue one
17 voucher to the program recipient for each of the program
18 recipient's utilities declaring that the commission guarantees
19 the utility deposits for that program recipient.

20 (1) Upon receipt of a valid voucher, a utility shall
21 not require a utility deposit from that program recipient
22 before beginning service.

23 (2) Each voucher shall only remain valid for one use
24 and shall be collected, filed, and maintained by a utility at
25 time of receipt.

1 (3) If the residence of a program recipient has two
2 or more meters for one type of utility service, the program
3 voucher shall only be valid for one meter.

4 (e) If a program recipient defaults on a payment
5 owed to a utility, the program shall reimburse the utility for
6 that default, but shall not issue any future voucher for that
7 type of utility for that program recipient. Notwithstanding
8 the foregoing, the program shall honor any voucher with any
9 utility that holds the program recipient in good standing.

10 (f) If, after receiving a voucher for a utility
11 deposit, a program recipient changes residences and is
12 required to pay a new deposit for that same type of utility,
13 the program shall not issue a voucher for that second deposit.

14 (g) The use of a voucher by a program recipient does
15 not guarantee service from any utility. Each eligible
16 participant must also meet the criteria for initiating service
17 of each utility.

18 (h) The Alabama Commission on Higher Education shall
19 maintain a list, electronically or otherwise, of all utilities
20 that have agreed to allow the State of Alabama to serve as a
21 guarantor under this act.

22 Section 2. The Alabama Commission on Higher
23 Education may adopt rules to implement and administer this
24 act.

25 Section 3. This act shall become effective on the
26 first day of the third month following its passage and
27 approval by the Governor, or its otherwise becoming law.

