

HOUSE BILL 720

By Dean

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 34; Title 7, Chapter 82; Title 28, Chapter 3, Part 3; Title 65 and Title 68, Chapter 221, Part 2, relative to charges for utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-34-115, is amended by adding the following language as new subsection (b) and by redesignating the present language accordingly:

(b) Each municipal utility system operating a public works system may collect lawful payment of the rates, fees, tolls or charges from each user of such system. In the event of a billing error caused by an employee or agent of the public works system, the public works system is entitled to collect outstanding rates, fees, tolls or other charges actually owed by such user, but in no event for more than the six-month period immediately before the date of such erroneous bill.

SECTION 2. Tennessee Code Annotated, Title 7, Chapter 82, Part 4, is amended by adding the following language as a new, appropriately designated section:

7-82-404.

Each utility district may collect lawful payment of the rates, fees, tolls or charges from each user of such system. In the event of a billing error caused by an employee or agent of the utility district, the utility district is entitled to collect outstanding rates, fees, tolls or other charges actually owed by such user, but in no event for more than the six-month period immediately before the date of such erroneous bill.

SECTION 3. Tennessee Code Annotated, Section 28-3-301, is amended by deleting the present language in its entirety and by substituting instead the following

language:

Notwithstanding any other law to the contrary, if kilowatt usage is inaccurately recorded or registered due to equipment failure and results in a customer being undercharged or overcharged, and the customer is unaware of the error, defect or failure, no utility district, municipality or electric company shall be authorized to collect or assess a charge for such usage, prior to six (6) months from the date the error is discovered and billed, or to reimburse the customer for overpayment of such usage, prior to thirty-six (36) months from the date the error is discovered and billed; provided, that if a date certain can be established for such error which is less than thirty-six (36) months, no utility district, municipality or electric company shall be authorized to collect or assess a charge for such usage beyond six (6) months, or to reimburse the customer for overpayment of such usage, beyond thirty-six (36) months.

SECTION 4. Tennessee Code Annotated, Section 28-3-302, is amended by deleting the present language in its entirety and by substituting instead the following language:

Notwithstanding any other law to the contrary, if gallonage for water or sewer service or both is inaccurately recorded or registered due to equipment failure and results in the customer being undercharged or overcharged, and the customer is unaware of the error, defect or failure, no utility district, municipality, or water or sewer system or company shall be authorized to collect or assess a charge for the unpaid gallonage, prior to six (6) months from the date the error is discovered and billed, or to reimburse the customer for overpayment of such usage, prior to thirty-six (36) months from the date the error is discovered and billed; provided, that if a date certain can be established for such error which is less than thirty-six (36) months, no utility district, municipality, or water or sewer system or company shall be authorized to collect or assess a charge for such usage beyond six (6) months, or to reimburse the customer for overpayment of such usage, beyond thirty-six (36) months.

SECTION 5. Tennessee Code Annotated, Section 28-3-303, is amended by deleting the present language in its entirety and by substituting instead the following language:

Notwithstanding any other law to the contrary, if cubic feet for gas service is inaccurately recorded or registered due to equipment failure and results in the customer being undercharged or overcharged, and the customer is unaware of the error, defect or failure, no utility district, municipality, or gas system or company shall be authorized to collect or assess a charge for the unpaid cubic feet, prior to six (6) months from the date the error is discovered and billed, or to reimburse the customer for overpayment of such usage, prior to thirty-six (36) months from the date the error is discovered and billed; provided, that if a date certain can be established for such error which is less than thirty-six (36) months, no utility district, municipality, or gas system or company shall be authorized to collect or assess a charge for such usage beyond six (6) months, or to reimburse the customer for overpayment of such usage, beyond thirty-six (36) months.

SECTION 6. Tennessee Code Annotated, Section 28-3-304, is amended by deleting the present language in its entirety and by substituting instead the following language:

Notwithstanding any other law to the contrary, a municipality shall not collect amounts or refund an overpayment owed to the municipality as a result of an underpayment or nonpayment of any charge or fee imposed for solid waste, garbage, or refuse collection or disposal services if such underpayment resulting from a billing error by an employee or agent of such municipality is more than six (6) months past the date the error is discovered and billed, or other such underpayment, overpayment or nonpayment is more than thirty-six (36) months past the date payment was first due.

SECTION 7. Tennessee Code Annotated, Section 65-25-212, is amended by adding the following language as a new subsection:

(d) Each cooperative may collect lawful payment of the rates, fees, tolls or charges from each user of such cooperative. In the event of a billing error caused by an employee or agent of the cooperative, the cooperative is entitled to collect outstanding rates, fees, tolls or other charges actually owed by such user, but in no event for more than the six-month period immediately before the date the error is discovered and billed.

SECTION 8. Tennessee Code Annotated, Section 68-221-208, is amended by adding the following language as a new subsection:

(d) Each municipality providing sanitary sewer services may collect lawful payment of the rates, fees, tolls or charges from each user of such system. In the event of a billing error caused by an employee or agent of the municipality sanitary sewer service, the municipality sanitary sewer service is entitled to collect outstanding rates, fees, tolls or other charges actually owed by such user, but in no event for more than the six-month period immediately before the date the error is discovered and billed.

SECTION 9. This act shall take effect July 1, 2011, the public welfare requiring it.