

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 881

By: Monson

AS INTRODUCED

An Act relating to cities and towns; amending 11 O.S. 2001, Section 35-107, which relates to utility deposits; providing for utility deposit refunds for commercial or industrial customers; requiring residential customer deposits to be refunded or credited after certain time period; stating requirements for refund or credit; requiring municipal utilities to review certain deposits annually; providing for customer to request method of payment or credit; providing for deposit to be applied to unpaid charges upon termination of service; authorizing municipal utility to withhold deposits pending resolution of disputed charges; providing for certain interest to be accrued to deposits; stating procedures for refunds for all customers; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 11 O.S. 2001, Section 35-107, is amended to read as follows:

Section 35-107. A. Money in the municipal treasury which has been acquired as a utility deposit from a commercial or industrial customer of a municipal utility shall be refunded or credited to the customer upon termination of the utility service and payment of all charges due and connected with the service, or at an earlier date as may be allowed by the municipality, pursuant to the provisions of this act.

B. Money in the municipal treasury which has been acquired as a utility deposit from a residential customer of a municipal utility shall be refunded or credited to the residential customer with accrued interest after twelve (12) months' satisfactory payment of undisputed charges and where payment was not late more than twice;

provided, however, that service has not been disconnected within the twelve-month period.

C. Municipal utilities shall review all residential deposits at least annually and shall determine whether refunds will be paid by check or warrant, upon request of the customer, provided the customer's account is not delinquent, or by credit against the customer's current billing.

D. The amount of the residential customer's deposit, with accrued interest, shall be applied to any unpaid charges at the time of a termination of service. The balance, if any, shall be returned to the customer within thirty (30) days following settlement of the customer's account either in person or by mailing the refund to the customer's last known address.

E. Municipal utilities may withhold refund or return of a residential customer's deposit, pending the resolution of any dispute with respect to charges secured by the deposit.

F. Interest on deposits shall be paid by the municipal utility at no less than the rate calculated as follows:

1. For all residential customer deposits returned within one (1) year or less, the interest rate shall be established January 1 of each year to equal the average of the weekly percent annual yields of one-year U.S. Treasury Securities for September, October and November of the preceding year; and

2. For all residential customer deposits held by the municipal utility service provider for more than one (1) year, the interest rate shall be established January 1 of each year to equal the average of the weekly percent annual yields of ten-year U.S. Treasury Securities for September, October and November of the preceding year. The municipal utility may pay the average of the one-year Treasury Security, as provided in paragraph 1 of this subsection, for the first year the deposit is held.

G. Refunds to ~~the customer~~ all classes of customers shall be made ~~in accordance with the procedures set forth in this section.~~ as follows:

~~B.~~ 1. If a utility deposit is to be refunded to the customer instead of being credited to the account of the customer, a refund check or warrant payable to the customer shall be issued by the municipal utility within thirty (30) days following the termination of the utility service, or as required pursuant to the provisions of subsection B of this section;

~~C.~~ 2. Utility deposit refund checks or warrants of Five Dollars (\$5.00) or less shall be cashed by the customer within one (1) year of ~~the termination of the utility service~~ issuance by the municipal utility. Any such refund check or warrant not cashed by the customer within one (1) year ~~of termination of the utility service~~ shall be canceled and the amount of the deposit shall be paid into the fund of the municipal utility for which the deposit was collected, or into the general fund as may be determined by the municipal governing body. No municipal utility customer shall have the right to any claim or refund on the deposit following the expiration of the one-year time period as set forth in this subsection;

~~D.~~ 3. If a utility deposit refund check or warrant in excess of Five Dollars (\$5.00) has not been cashed by a customer within one (1) year ~~following termination of the utility service~~ of issuance to the customer, the municipality shall send written notice to the customer at the last-known address of the customer stating that the refund check or warrant shall be canceled and the deposit will be paid over to the municipality unless it is cashed by the customer within ninety (90) days of the date the notice is mailed by the municipality. If the check or warrant is not cashed within the ninety (90) days, the check or warrant shall be canceled and the amount of the deposit shall be paid into the fund of the municipal

utility for which the deposit was collected, or into the general fund as may be determined by the governing body. No municipal utility customer shall have a right to any claim or refund on the deposit after written notice and expiration of the ninety-day period in accordance with this subsection.

SECTION 2. This act shall become effective November 1, 2002.

48-2-2130

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