

No. 1979-57

AN ACT

HB 1475

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, providing for the appointment of a receiver for rental payments in certain cases.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 66, act of November 25, 1970 (P.L.707, No.230), known as the Pennsylvania Consolidated Statutes, is amended by adding a section to read:

§ 1533. Petition to appoint receiver.

(a) Appointment of receiver.—Notwithstanding the foregoing sections of this chapter, when a landlord ratepayer is two or more months in arrears in his utility payments, the affected utility shall have the right to petition the court of common pleas of the county wherein the leased premises are located to appoint a receiver to collect rent payments otherwise due the landlord ratepayer directly from the tenants and to pay all overdue and subsequent utility bills therefrom. The provisions of this section shall not be construed to supersede any tenant rights or defenses under law regarding the payment of rent. This right may be exercised only in those situations that involve 50 or more rental units in which the units are not individually metered. Upon appointment, the receiver shall notify the tenants of his powers and their rights under law regarding payment of rent and continued utility service by first class mail, certified mail, or personal service.

(b) Right to continued service.—The affected utility under this section shall not discontinue utility service if it receives payment from the receiver in the amount specified in subsection (c)(2) within 60 days from the date notice to the tenants of the appointment of the receiver is mailed or delivered.

(c) Duty of receiver.—The receiver shall:

- (1) collect all rents directly from the tenants;*
- (2) pay the utility bills equal to the amount due for the 30-day period prior to the tenant receiving notice of the appointment of the receiver and all future bills as they become due;*
- (3) after payment of the amounts in subsection (c)(2), any excess moneys shall be applied pursuant to further order of court; and*
- (4) return the remainder to the landlord ratepayer, less the costs of the notification made to the tenants, plus a 2% administrative fee.*

(d) Discontinuation.—The receiver shall continue to collect the rents and make disbursements in the manner provided in subsection (c) until the second rental period after:

- (1) the landlord ratepayer deposits in escrow with the utility a sum*

equal to the utility charges from the two highest monthly periods in the preceding 12 months; and

(2) the landlord ratepayer demonstrates to the satisfaction of the court of common pleas that it has the financial resources necessary to resume its obligations to the utility and the tenants.

At such time rental payments will once again be made to the landlord ratepayer. Notice of this change shall be made to the tenants by the receiver by means of first class mail, certified mail, or personal service, which costs shall be paid by the landlord ratepayer.

(e) Escrow fund.—The escrow fund established under subsection (d)(1) shall not be considered a prepayment of utility costs and shall only be applied against outstanding utility bills at the time a new receiver is appointed for a subsequent failure by the landlord ratepayer to pay utility bills for a two-month period. Said escrow fund shall be returned to landlord ratepayer not later than 90 days nor earlier than 60 days, after the landlord ratepayer obtains a court order releasing such funds and certifying that timely payment of utility bills has been made for the immediately preceding 24 consecutive months.

(f) Interest on funds.—Any funds held in escrow by any utility shall bear interest at a rate 1% lower than the maximum rate allowed by the Federal Reserve Board to be paid on regular savings accounts at commercial banks.

(g) Number of receivers.—In the event more than one utility company is affected by any landlord ratepayers' failure to pay utility bills, the court shall appoint the same receiver to function for all aggrieved utilities.

Section 2. This act shall take effect immediately and shall be retroactive to January 1, 1979.

APPROVED—The 20th day of July, A. D. 1979.

DICK THORNBURGH