

BYLAW NO. 3373

CONSOLIDATION OF A BYLAW OF THE CITY OF MEDICINE HAT to require deposits from certain Utility Consumers.

WHEREAS the City of Medicine Hat annually writes off substantial amounts in uncollected Utility charges; and

Amended by:
Bylaw 3721
May 16, 2006

WHEREAS the majority of the amount written off is attributable to Consumers with an unsatisfactory or unproven history of Utility payments with the City of Medicine Hat; and

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WHEREAS requiring Deposits from Consumers with an unsatisfactory or unproven history of Utility payments with the City provides partial security to the City for such Consumer's accounts;

NOW THEREFORE, the Council of the City of Medicine Hat, in the Province of Alberta, duly assembled, enacts:

ENACTMENT

1. This Bylaw may be cited as the Utility Deposit Bylaw.
2. Notwithstanding any provisions in any other Bylaw of the City of Medicine Hat for the payment of security Deposits, from the effective date of this Bylaw, certain Utility Consumers of the City of Medicine Hat shall be required to provide and maintain with the City a Deposit in accordance with the rules and regulations contained in Schedule "A" to this Bylaw.

DEFINITIONS

3. In this Bylaw and Schedule "A":
 - (a) "Account" shall mean a contract between the City and a Consumer created by an application for Utility services and acceptance of that application by the City.
 - (b) "Average Utility Charges" shall mean the average of the monthly Utility charges for a property for the immediately preceding TWELVE (12) months, or such lesser period if there is a Utility consumption history of less than TWELVE (12) months. If there is no Utility consumption history for a property, the Average Utility Charges shall be equal to that of a similar property, as determined by the General Manager of Finance.
 - (c) "City" shall mean the City of Medicine Hat.
 - (d) "Credit History with the City" shall mean a Consumer relationship with the City for Utility services for a minimum of TWELVE (12) months.

- Amended by:
Bylaw 3721
May 16, 2006
- (e) “Consumer” shall mean a user or person applying to become a user of any one or more of the following Utility services provided by the City: electrical energy, water, natural gas, solid waste disposal, or sewage disposal.
- (f) “Deposit” shall mean an amount equal to the greater of
- (i) TWO (2) times the Average Utility Charges for the property to which Utilities are to be provided, or
 - (ii) ONE HUNDRED (\$100.00) Dollars.
- Amended by:
Bylaw 3721
May 16, 2006
- (f.1) “Dishonoured Payments” shall mean payments by cheque or electronic funds transfer that are not honoured by the bank or other financial institution processing the cheques or electronic funds transfers.
- (g) “Existing Consumer” shall mean a Consumer with an Account at the date this Bylaw comes into force.
- (h) “General Manager of Finance” shall mean the General Manager of the City’s Finance Department or any employee of the Finance Department to whom the General Manager of Finance has delegated responsibility for administration of this Bylaw.
- Amended by:
Bylaw 3721
May 16, 2006
- (i) “Interest” shall mean the rate of interest determined by the General Manager of Finance as of January 1st of each year equal to the average of the Bank of Canada prime rate of interest as of the SECOND (2nd) Tuesday in each of the months of September, October and November in the preceding year, less FOUR (4%) percent. The minimum Interest rate shall be ONE HALF (0.5%) percent.
- Amended by:
Bylaw 3721
May 16, 2006
- (j) Repealed.
- Amended by:
Bylaw 3721
May 16, 2006
- (k) “Satisfactory Credit History” shall mean the Credit History with the City of a Consumer who has:
- (i) been issued no more than ONE (1) disconnect warning notice,
 - (ii) not had Utilities disconnected for non-payment of Account, and
 - (iii) made no more than ONE (1) Dishonoured Payment to the City for Utilities
- in the preceding TWELVE (12) months.
- Amended by:
Bylaw 3721
May 16, 2006
- (k.1) “Unsatisfactory Credit History” shall mean the Credit History with the City of a Consumer who has:
- (i) been issued TWO (2) or more disconnect warning notices,
 - (ii) had Utilities disconnected for non-payment of Account, or
 - (iii) made TWO (2) or more Dishonoured Payments to the City for Utilities
- in the preceding TWELVE (12) months.

- (l) "Utility and Utilities" shall mean any one or more of the following services: electrical energy, water, natural gas, solid waste disposal or sewage disposal.

TRANSITION

4. This Bylaw comes into force on October 1, 2001.

READ A FIRST TIME in open Council on May 22, 2001

READ A SECOND TIME in open Council on June 4, 2001

READ A THIRD TIME in open Council on June 4, 2001

SIGNED AND PASSED on June 5, 2001

I HEREBY CERTIFY that this is a true and correct copy of Bylaw No. 3373 consolidated pursuant to Section 69 of the *Municipal Government Act* to incorporate all subsequent amendments thereto, printed under the authority vested in me by the said Section 69 and by City of Medicine Hat Bylaw No. 1957.

CERTIFIED THIS _____ day of _____, 20____

ANGELA CRUICKSHANK
MUNICIPAL SECRETARY & CITY CLERK
CITY OF MEDICINE HAT

SCHEDULE "A"

1. Except as provided in section 2 of this Schedule, Deposits shall be required from residential and non-residential Utility Consumers who are not the registered owner of the property to which Utilities are supplied and who:

- (a) do not have a Credit History with the City; or
 (b) have an Unsatisfactory Credit History with the City.

Amended by:
 Bylaw 3721
 May 16, 2006

2. A Deposit shall not be required from:

- (a) Existing Consumers except those:

- (i) whose Utility services are subsequently disconnected for non-payment of their Account and who apply to have their Utility services reconnected; or
 (ii) who have not yet established a Credit History with the City or who have an Unsatisfactory Credit History with the City and who request Utility services to another property within the City's service area.

Amended by:
 Bylaw 3721
 May 16, 2006

- (b) a residential Consumer who does not have a Credit History with the City if:

- (i) the Consumer authorizes an automatic bank withdrawal payment plan from their bank account for their Utility Accounts; or
 (ii) a co-signor, acceptable to the General Manager of Finance, agrees to become responsible for the Consumer's Utility Accounts; or
 (iii) the Consumer provides a TWELVE (12) month payment history from a previous utility supplier, that is satisfactory to the General Manager of Finance; or
 (iv) the Consumer provides such other security to the City as is acceptable to the General Manager of Finance.

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 May 16, 2006

- (c) a non-residential Consumer who does not have a Credit History with the City if:

- (i) the Consumer provides to the City an unconditional, irrevocable, letter of credit from a financial institution in a form acceptable to the General Manager of Finance, and in an amount equal to the Deposit which would otherwise be required; or
 (ii) the Consumer provides a TWELVE (12) month payment history from a previous utility supplier, that is satisfactory to the General Manager of Finance; or
 (iii) the Consumer provides such other security to the City as is acceptable to the General Manager of Finance.

Amended by:
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- (d) A Consumer shall not be eligible for the options set out in Sections 2(b) and (c) of this Schedule if the Consumer has at any time during the preceding TWELVE (12) months had an Account with the City and
- (i) been issued TWO (2) or more disconnect warning notices,
 - (ii) had Utilities disconnected for non-payment of Account, or
 - (iii) made TWO (2) or more Dishonoured Payments to the City for Utilities.

Amended by:
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May 16, 2006

- (e) A Consumer who is exempted from the requirement to provide a Deposit pursuant to Section 2(b)(i), shall be required to provide a Deposit if the Consumer makes a Dishonoured Payment to the City for Utilities within TWELVE (12) months of authorizing the automatic bank withdrawal payment plan.

3. As a condition of providing Utility services, Deposits required pursuant to this Bylaw shall be paid when a person requests Utility services to a property or, for Existing Consumers, when their Utility services are reconnected following such Utility services being disconnected for non-payment of their Account or when an Existing Consumer requests Utility services to another property.

4. (a) Cash Deposits held by the City, shall bear Interest, compounded monthly.
- (b) Interest earned on Deposits will be paid to the Consumer at the time the Deposit is refunded.

5. A Deposit, together with accrued Interest, shall be refunded to the Consumer when:

- (a) the Consumer terminates their Utility Accounts with the City, does not enter into an Account for Utility services to another property within the City's service area and pays their Utility Accounts in full; or
- (b) the Consumer establishes a Satisfactory Credit History.

Amended by:
Bylaw 3721
May 16, 2006

- (c) Repealed.

Amended by:
Bylaw 3721
May 16, 2006

6. (a) The City shall have the right to use the Deposit and any accrued Interest and set off or apply it against any outstanding amount owed by a Consumer to the City when:
- (i) a Consumer terminates a Utility Account and an outstanding balance remains owing to the City; or
 - (ii) the City disconnects service for non-payment of Account and the service is not reconnected for the Consumer.
- (b) The City shall refund the balance, if any, of such Deposits, to the Consumer.

7.
 - (a) A Deposit made by a Consumer as a condition of the City providing Utility services to a particular property may be used as the Deposit required of that Consumer as a condition of the City providing Utility services to another property if the outstanding Utility Accounts on the original property are paid in full or arrangements satisfactory to the General Manager of Finance are made for that payment prior to the connection of services to the second property.
 - (b) A Consumer may be required, at the request of the City, to increase the Deposit held by the City if the Average Utility Charges for the second property exceed the Average Utility Charges for the original property by TEN (10%) PERCENT or more.