



S.B. 308

127th General Assembly
(As Introduced)

Sens. Spada, Schaffer, Schuring, Fedor, D. Miller

BILL SUMMARY

- Prohibits revolving credit providers and utility service providers from assessing or charging a penalty or late fee against a payment received on or before the due date or postmarked two days or more before that date.
- Specifies that payments, made via the provider's Internet web site or by telephone before 5 p.m. Eastern Standard Time on any business day must be credited that business day.

CONTENT AND OPERATION

Certain penalties and late fees to revolving credit providers and utility service providers prohibited

(R.C. 1349.81(A))

The bill creates a new provision within the Ohio Consumer Protection Law that prohibits revolving credit providers and utility service providers from assessing or charging a borrower or consumer a penalty or late fee against a payment that the creditor or utility service provider receives on or before the payment due date or that is postmarked two days or more before the payment due date. In addition, the bill specifies that, with respect to any account, any payment that is made by a borrower or consumer via the revolving credit provider's or utility service provider's Internet web site or by telephone directly to the revolving credit provider or utility service provider before 5 p.m. Eastern Standard Time on any business day must be credited to the borrower's or consumer's account that business day.¹

¹ "Business day" is not defined in the bill.

Definitions

(R.C. 1349.81(B))

Under the bill, "revolving credit provider" is an entity that agrees to extend credit to a borrower pursuant to a credit agreement that specifies a credit limit, the terms under which advances of credit will be made, and provides for a finance charge that may be computed from time to time against the outstanding unpaid balance.

"Utility service provider" includes any telephone company, electric light company, gas company, natural gas company, water-works company, heating or cooling company, or sewage disposal system company, as described in Public Utility Law (R.C. 4905.03), including any electric light company operated not for profit, owned and operated exclusively by and solely for its customers, or owned or operated by a municipal corporation.²

Finally, the bill specifies that "postmark" means a postal marking made by the United States Postal Service on a letter, package, postcard, or the like indicating the date that the item was delivered into the care of the Postal Service.

HISTORY

ACTION	DATE
Introduced	03-20-08

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² Because the bill includes an electric light company owned or operated by a municipal corporation as a utility service provider, it could conflict with Sections 4 and 6 of Article XVIII of the Ohio Constitution that grant municipal corporations the right to own and operate utilities under home rule. Further, the bill does not appear to apply to any other type of utility owned or operated by a municipal corporation.