


STATE OF NEW YORK  
DEPARTMENT OF PUBLIC SERVICE

July 16, 1981

TO: JOHN J. MCGOLDRICK  
Counsel to the Governor

FROM: PAUL L. GIOIA, Chairman  
Department of Public Service 

SUBJECT: S. 4659-C (Senator Owen P. Johnson)

RECOMMENDATION: No objection

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Summary of Provisions:

The bill would add a new § 131-p to the Social Services Law to limit the liability of social services agencies for payments for utility service provided recipients of public assistance or supplemental security income benefits or additional State payments. The service payments would be limited to a customer's current bill and for four months of any arrearages.

The bill would also add new §§ 65-a and 65-b to the PSL to require that so long as such payments are made or guaranteed to a utility by social services, utility service would be provided or continued to the persons receiving assistance. Further, the utilities would be required to notify social services that payments for utility services furnished persons receiving public assistance, supplemental security income benefits or additional State payments had not been made.

Finally, §§ 12 and 15 of the Transportation Corporations Law (TCL) would be amended and § 13 of such law repealed

to conform and consolidate the provisions relating to assistance for utility bills in § 131-p of the Social Services Law.

Discussion:

Recent court decisions have interpreted the TCL to require the Department of Social Services to pay all arrearages incurred by a public assistance recipient regardless of when such arrearages were incurred. Rivera v. Berger, 89 Misc.2d 586, (S. Ct., Westchester County, 1976) affirmed, 60 A.D.2d 605 (2d Dept., 1977) appeal dismissed, 44 N.Y.2d 731 (1978) and leave to appeal denied, 44 N.Y.2d 642 (1978). This proposal would limit the liability of social services districts and thus help to control their expenditures of tax monies.

While the bill will necessarily transfer the cost of arrearages from taxpayers to utility ratepayers, we have no objection to its enactment. It restores the law to the practice that existed prior to the Rivera decision. Further, the 4 month limitation may encourage utilities to monitor their accounts more closely. Thus, it will not only provide a reasonable limit on the public payments involved, but will also provide a reasonable period to conduct the collection process. Accordingly, we do not believe the bill will unduly burden utility ratepayers.