



Legislation Details (With Text)

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On agenda: **Final action:**

Title: Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes, and Collections," to revise certain provisions of Section 19-1605 to provide parameters for reducing the accumulated indebtedness of customers who participate in the Income-Based Water Rate Assistance Program.

Sponsors: Councilmember Quiñones Sánchez

Indexes: INCOME-BASED WATER RATE ASSISTANCE PROGRAM

Code sections: Title 19 - FINANCE, TAXES AND COLLECTIONS

Attachments: 1. Bill No. 20008800.pdf

| Date | Ver. | Action By | Action | Result | Tally |
|-----------|------|--------------|-------------------------|--------|-------|
| 1/30/2020 | 0 | CITY COUNCIL | Introduced and Referred | | |

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes, and Collections," to revise certain provisions of Section 19-1605 to provide parameters for reducing the accumulated indebtedness of customers who participate in the Income-Based Water Rate Assistance Program.

WHEREAS, Bill No. 140607-AA mandated that customers participating in the Income-Based Water Rate Assistance Program (IWRAP) would earn forgiveness of arrearages "under such terms and conditions as are adopted by regulation"; and

WHEREAS, the Philadelphia Water Department and Philadelphia Revenue Department adopted regulations concerning the IWRAP program on March 10, 2017, by amending Chapter 2 of the Water Department's regulations, and renaming the program the "Tiered Assistance Program" or "TAP"; and

WHEREAS, Chapter 2 of the Water Department's regulations provide for forgiveness of penalty charges if the TAP customer makes payments of TAP bills for twenty-four (24) months; and

WHEREAS, Chapter 2 of the Water Department's regulations provide for removal of arrears pursuant to a pre-existing provision of the Philadelphia Code, Section 19-1605(1), which permits charges that are fifteen (15) years or older to be waived; and

WHEREAS, Chapter 2 of the Water Department's regulations does not effectuate City Council's intention in mandating that earned forgiveness of arrearages shall be available to TAP customers; and

WHEREAS, in adopting Chapter 2 of the Water Department's regulations, the Water Commissioner and Revenue Commissioner agreed to re-evaluate earned forgiveness of arrearages, and determine whether to modify the earned forgiveness provisions, prior to the 2018 Rate Proceeding that commenced by formal notice on March 14, 2018; and

WHEREAS, the Water Department and Revenue Department did not propose any modification to TAP

earned forgiveness, nor provide any details regarding a re-evaluation of earned forgiveness during the 2018 Rate Proceeding; and

WHEREAS, in its Final Determination in the 2018 Rate Proceeding, the Philadelphia Water, Sewer and Storm Water Rate Board acknowledged that the ordinance authorizing TAP “explicitly calls for the development of an arrearage forgiveness program”; and

WHEREAS, the City Council of Philadelphia desires to provide parameters for reducing the accumulated indebtedness of customers who participate in the Income-Based Water Rate Assistance Program; now, therefore,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1600 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 1600. WATER AND SEWER RENTS.

* * *

§19-1605. Limitation on Action to Enforce Collection; Income-Based Water Rate Assistance Program.

* * *

(3) The IWRAP program is authorized under the following terms and conditions:

* * *

(e) Any amount paid for a monthly IWRAP bill in excess of the customer’s current water liabilities shall reduce the balance of his or her arrears *determined pursuant to subsection (4)*.

* * *

(h.2) Earned forgiveness. Earned forgiveness of arrearages shall be available under [such] terms and conditions [as are adopted by] *of Department regulations to be effective no later than September 1, 2020 which shall provide for the following:*

(1) Each payment of an IWRAP bill will result in the forgiveness of an equal, proportional amount of the customer’s arrears. The forgiveness amount earned with each IWRAP bill payment shall be no less than 1/24 of the customer’s arrears determined pursuant to subsection (4), subject to any additional reduction to the balance of the customer’s arrears pursuant to subsection (3).

(2) A customer shall have the right to catch up on missed IWRAP bill payments and earn forgiveness upon payment of such missed IWRAP bill. The Department will identify the IWRAP bills outstanding at the time of recertification or reapplication for IWRAP for purposes of facilitating catch up payment agreements and earned forgiveness.

(3) IWRAP bills will include a statement of the amount of arrearages that will be forgiven upon payment of the IWRAP bill and the total amount of arrearages that have been forgiven due to payment of previously issued IWRAP bills.

(4) Any IWRAP bill paid by a third party or satisfied through some other means shall be deemed to have been paid by the IWRAP customer.

(h.3) Customers with household income from one hundred fifty percent (150%) to two hundred fifty percent (250%) of FPL, shall be offered payment plans that result in a total bill - including arrearages - that is affordable.

* * *

(4) Arrears Determination.

* * *

(a) Upon the customer's enrollment in an IWRAP agreement, the Department shall determine and notify the [C] customer in writing of the amount of such customer's arrears. *For tenant customers, the arrears may include the unpaid bills that accumulated during the period the tenant has been responsible for water bills pursuant to the lease agreement. For other customers, the arrears shall include all unpaid bills that have accumulated at the property.*

* * *

SECTION 2. This Ordinance shall be effective immediately.

Explanation:

Italics indicate new matter added.

[Brackets] indicate language removed.