



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

File #: 150933, Version: 0

Calling upon the United States Congress and the President to develop a comprehensive plan to address the humanitarian and fiscal crisis facing Puerto Rico.

WHEREAS, In June 2015, Puerto Rico's Governor Alejandro Garcia Padilla declared the Commonwealth's \$72 billion dollar debt "not payable" with the island effectively running out of cash for the government to continue operating; and

WHEREAS, This economic crisis has forced a second "Great Migration" much like after World War II, with more than 250,000 Puerto Ricans leaving the island since 2010; and

WHEREAS, Puerto Rico has taken extraordinary measures to address the situation, including shuttering more than one hundred public schools, delaying people's tax refunds, increasing the retirement age, borrowing from the worker's compensation fund even withholding holiday bonuses, and increasing the local sales tax to a national high of 11.5%; and

WHEREAS, The Federal Government needs to take strong action to stabilize Puerto Rico and help it restructure the debt by incorporating bankruptcy and debt restructuring protections. The government needs to grant Puerto Rico the right to declare for Chapter 9 bankruptcy; health care equity eliminating the annual Medicaid/ Mi Salud funding cap, and tax reform to institute tax policies that foster economically diverse and living wage job creation, which will create sustainable growth on the island; and

WHEREAS, The Earned Income Tax Credit is the nation's largest anti-poverty cash assistance program as it increases the ability of workers in low-paying jobs to support themselves and their families, however it does not apply to Puerto Rico; and

WHEREAS, The Child Tax Credit provides substantial tax relief for families with children yet also only applies in limited fashion in Puerto Rico where only families with three or more children are eligible for the tax credit refund; and

WHEREAS, Prior to 1985, Puerto Rico had the ability to file for bankruptcy Chapter 9, which was later taken from the territory, which has since limited its ability to restructure the islands debt on its own; and

WHEREAS, In October of 2015, over 400 Puerto Rican elected officials and community leaders, representing many different organizations nationwide, convened in Orlando, Florida to discuss the fiscal crisis and a national call was done to establish "Unidos Para Puerto Rico" to unite the Puerto Rican Diaspora and the coalition of Puerto Rican elected officials with the purpose of promoting a national campaign to create a comprehensive National Puerto Rican Agenda which encompasses the problems affecting Puerto Ricans both on the island and throughout the United States; and

WHEREAS, In November 2015, Puerto Rican leaders and allies in Philadelphia met to discuss how Pennsylvania would engage in this important education campaign and to organize PA 4 PR, as a local call to

action for Pennsylvania, asking community leaders, clergy, elected officials, and allies to join the national call to action; and

WHEREAS, On Wednesday December 2, 2015, hundreds of Puerto Rican Community Leaders from Pennsylvania and across the country, traveled to Washington, D.C. in a national call to action, hosting a press conference and a full lobbying day with members of Congress to promote the National Puerto Rican Agenda and call for Congressional action to pass the following reforms of bankruptcy and debt restructuring protections, health care equity, and tax reform before their holiday recess; and

WHEREAS, We need to act now to extend equal treatment to Puerto Rico and its American citizens, 3.5 million who reside on the island and 5 million in the diaspora in the United States and abroad. Pennsylvania has the 4th largest Puerto Rican population in the United States, after New York, New Jersey and Florida who are united in a call for action; now, therefore, be it

RESOLVED, THAT THE CITY COUNCIL OF PHILADELPHIA, Joins the legislative action by City Councils in Chicago, New York City, Cleveland, Orlando, and New Jersey standing in unity on the national call to have the United States Congress and President Obama to provide Puerto Rico the tools to create a pathway to economic recovery.