

House File 2731 - Introduced

HOUSE FILE 2731

BY McBURNEY

A BILL FOR

- 1 An Act establishing the percentage of income payment plan program
- 2 to be administered by the department of health and human
- 3 services.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **216A.100 Percentage of income**
2 **payment plan program.**

3 1. For purposes of this section, unless the context otherwise
4 requires:

5 a. "*Arreared amount*" means an individual's unpaid balance
6 with a utility company as noted by the department in subsection
7 5, paragraph "a", minus any amounts the department has
8 contributed toward the payment of the noted unpaid balance.

9 b. "*Percentage of income payment plan program*" or "*program*"
10 means the percentage of income payment plan program established
11 under this section.

12 c. "*Utility company*" means an owner or operator of an
13 electric or gas transmission or distribution facility subject to
14 regulation and enforcement by the Iowa utilities commission.

15 2. The department shall establish and administer a percentage
16 of income payment plan program.

17 3. The program shall be available to each individual who
18 qualifies for the low-income home energy assistance program.
19 An individual who is enrolled in the program shall not receive
20 benefits from the low-income home energy assistance program.

21 4. a. Each utility company shall cease collection of each
22 unpaid balance for an individual enrolled in the program until
23 the individual is discharged from the program.

24 b. Interest shall not accrue on unpaid balances subject to
25 this subsection.

26 c. Upon an individual's discharge from the program, the
27 individual's arreared amount, if any, shall become immediately
28 due.

29 5. Upon the department's approval to enroll or reenroll an
30 individual in the program, all of the following shall occur:

31 a. The department shall note the unpaid balance the
32 individual has with each utility company.

33 b. (1) The department shall develop a payment plan for the
34 individual based on the individual's annual gross income.

35 (2) The payment plan shall require the individual to pay a

1 percentage of the individual's gross monthly income toward the
2 individual's electric and gas utility bills. The percentage an
3 individual pays for the individual's electric and gas utility
4 bills shall not exceed the greater of one hundred dollars or six
5 percent of the individual's gross monthly income, and shall not
6 be less than the lower of five dollars or two and four-tenths
7 percent of the individual's gross monthly income.

8 6. When the department receives notice that each utility
9 company has received a monthly payment from an individual
10 pursuant to the individual's payment plan, the following shall
11 occur:

12 a. The department shall pay the balance of the individual's
13 electric and gas utility bills for the month for which the
14 individual made payment.

15 b. The department shall pay an amount equal to the amount
16 paid under the payment plan toward the individual's arrearred
17 amount. If the individual has unpaid balances with more than
18 one utility company, the payment shall be divided equally between
19 each utility company.

20 7. An individual shall be required to apply for reenrollment
21 in the program within one calendar year of the date the
22 department approves the individual's reenrollment in the program.

23 8. The department shall adopt rules pursuant to chapter 17A
24 to administer this section, including but not limited to all of
25 the following:

26 a. Standards for when an individual shall be discharged from
27 the program.

28 b. Graduated scales for an individual's monthly payments
29 based on the individual's gross monthly income.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill establishes the percentage of income payment plan
34 program (PIPP).

35 The bill defines "arreared amount" as an individual's unpaid

1 balance with a utility company as noted by the department of
2 health and human services (HHS) when the individual becomes
3 enrolled in PIPP, minus any amounts HHS has contributed toward
4 the payment of the noted unpaid balance.

5 The bill also defines "percentage of income payment plan
6 program", "program", and "utility company".

7 The bill requires HHS to establish and administer PIPP.
8 PIPP shall be available to each individual who qualifies for
9 the low-income home energy assistance program (LIHEAP), and an
10 individual who is enrolled in PIPP shall not receive benefits
11 from the LIHEAP.

12 The bill requires each utility company to cease collection of
13 each unpaid balance for an individual enrolled in PIPP until the
14 individual is discharged from the program. Interest shall not
15 accrue on the unpaid balances, and upon an individual's discharge
16 from PIPP, any amount remaining in the individual's arrearred
17 amount shall become immediately due.

18 The bill requires, upon HHS's approval to enroll or reenroll
19 an individual in PIPP, HHS to note the unpaid balances the
20 individual has with each utility company as the individual's
21 starting arrearred amount and develop a payment plan for the
22 individual based on the individual's annual gross income. The
23 payment plan shall require the individual to pay a percentage
24 of the individual's gross monthly income toward the individual's
25 electric and gas utility bills. The percentage an individual
26 pays for the individual's electric and gas utility bills shall
27 not exceed the greater of \$100 or 6 percent of the individual's
28 gross monthly income, and shall not be less than the lower of \$5
29 or 2.4 percent of the individual's gross monthly income.

30 When HHS receives a monthly payment from an individual
31 pursuant to the individual's payment plan, the bill requires HHS
32 to pay the balance of the individual's electric and gas utility
33 bills for the month for which the individual made payment, and
34 pay an amount equal to that amount paid under the payment plan
35 toward the individual's arrearred amount. If the individual has

1 unpaid balances with more than one utility company, the payment
2 shall be divided equally between each utility company.

3 The bill requires an individual to apply for reenrollment
4 in PIPP within one calendar year of the date HHS approves the
5 individual's reenrollment in PIPP.

6 The bill requires HHS to adopt rules to administer PIPP,
7 including but not limited to standards for when an individual
8 shall be discharged from PIPP, and graduated scales for an
9 individual's monthly payments based on the individual's gross
10 monthly income.

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