

**House File 2731 - Introduced**

HOUSE FILE 2731

BY MCBURNEY

**A BILL FOR**

1 An Act establishing the percentage of income payment plan  
2 program to be administered by the department of health and  
3 human services.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 1. For purposes of this section, unless the context  
4 otherwise 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  
14 to regulation and enforcement by the Iowa utilities commission.

15 2. The department shall establish and administer a  
16 percentage 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  
5 six percent of the individual's gross monthly income, and  
6 shall not be less than the lower of five dollars or two and  
7 four-tenths 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  
19 between 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  
23 program.

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

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

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

31

EXPLANATION

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

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

1 The bill defines "arreared amount" as an individual's unpaid  
2 balance with a utility company as noted by the department of  
3 health and human services (HHS) when the individual becomes  
4 enrolled in PIPP, minus any amounts HHS has contributed toward  
5 the payment of the noted unpaid balance.

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

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

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

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

32 When HHS receives a monthly payment from an individual  
33 pursuant to the individual's payment plan, the bill requires  
34 HHS to pay the balance of the individual's electric and gas  
35 utility bills for the month for which the individual made

1 payment, and pay an amount equal to that amount paid under  
2 the payment plan toward the individual's arrear amount. If  
3 the individual has unpaid balances with more than one utility  
4 company, the payment shall be divided equally between each  
5 utility company.

6 The bill requires an individual to apply for reenrollment  
7 in PIPP within one calendar year of the date HHS approves the  
8 individual's reenrollment in PIPP.

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