

SENATE FILE 2084
BY HATCH

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to prohibit the disconnection of gas or electric utility
2 service to households with residents who would suffer a health
3 risk, providing for a health risk utility tax credit, and
4 making penalties applicable.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

COMMERCE

SC 2084

1 Section 1. NEW SECTION. 135.153 UTILITY DISCONNECTION --
2 HEALTH RISK.

3 1. The department, with assistance from the utilities
4 board, shall adopt rules which shall be uniform with respect
5 to all public utilities furnishing gas or electricity,
6 prohibiting the disconnection of service to households with a
7 resident who would suffer a health risk upon such
8 disconnection, as certified by the department. This
9 subsection applies both to regulated utilities and to
10 municipally owned utilities and unincorporated villages that
11 own their own distribution systems. A violation of this
12 subsection subjects the utility to a civil penalty to be
13 levied by the utilities board under section 476.51.

14 2. If a household includes one or more residents under the
15 age of eighteen or at least sixty years of age, the department
16 may certify that such resident of that household would suffer
17 a health risk upon disconnection of service. The department
18 shall adopt criteria for such certification by rule which
19 shall include a requirement that the household income be less
20 than two hundred percent of the federal poverty level as
21 defined by the most recently revised poverty income guidelines
22 published by the United States department of health and human
23 services.

24 Sec. 2. Section 422.33, Code Supplement 2005, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 20. The taxes imposed under this division
27 shall be reduced by a health risk utility tax credit. A rate-
28 regulated public utility as defined in section 476.1 which has
29 incurred a monetary loss due to a failure to pay for gas or
30 electricity because of the certification of one or more
31 households with a resident who would suffer a health risk
32 under section 135.153 is entitled to the tax credit for the
33 tax year in which the monetary loss was incurred. The amount
34 of the credit is equal to the total amount of monetary loss
35 incurred by the public utility in the tax year for which the

1 tax credit is being applied.

2 Sec. 3. Section 476.20, subsection 3, Code 2005, is
3 amended by adding the following new unnumbered paragraph:

4 NEW UNNUMBERED PARAGRAPH. Notwithstanding subsection 1, a
5 public utility furnishing gas or electricity shall not
6 disconnect service to a residence that is a household with a
7 resident who would suffer a health risk upon such
8 disconnection, as certified by the Iowa department of public
9 health under section 135.153. A rate-regulated public utility
10 that incurs a monetary loss from a failure to pay for gas or
11 electricity services because of the continuation of such
12 services required by this paragraph may claim a tax credit
13 under section 422.33, subsection 20.

14 EXPLANATION

15 This bill relates to the disconnection of electric or gas
16 utility service for households with residents susceptible to a
17 health risk. The bill provides the Iowa department of public
18 health authority to adopt rules to certify that a household
19 with one or more children under the age of 18 or with a person
20 who is 60 years of age or older is a household with a resident
21 who would suffer a health risk if electric or gas service is
22 disconnected to the household. The department shall adopt
23 certification criteria by rule which require such households
24 to have an income not greater than 200 percent of the federal
25 poverty guidelines. The bill provides that a public utility
26 providing gas or electric service cannot disconnect service to
27 a household with a resident that would suffer a health risk,
28 as certified by the department. Public utilities restricted
29 from disconnection under the bill include all regulated
30 utilities, municipally owned utilities, and unincorporated
31 villages that own their own distribution systems. A utility
32 that disconnects a household that has been certified as a
33 household suffering a health risk by the Iowa department of
34 public health may be subject to a civil penalty levied by the
35 Iowa utilities board of the department of commerce in an

1 amount of not less than \$100 and not more than \$2,500 per
2 violation.

3 The bill provides for a health risk utility tax credit for
4 public utilities for the amount of monetary loss incurred by
5 the public utility due to the requirement to continue services
6 to a household described in the bill. The health risk utility
7 tax credit is a credit against corporate income tax imposed
8 under Code chapter 422, division III, and is available to
9 rate-regulated public utilities but not municipally owned
10 utilities, electric public utilities with fewer than 10,000
11 customers, electric cooperative corporations and associations,
12 or gas public utilities with fewer than 2,000 customers. The
13 amount of the credit is equal to the total amount of monetary
14 loss incurred by the public utility in the tax year for which
15 the credit is being applied.

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35