



Legislation Text

File #: CB 119758, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the City Light and Seattle Public Utilities Departments; temporarily removing the charge of interest on delinquent utility consumption and utilization accounts; superseding several sections under Title 21 that authorize and require the collection of interest on delinquent utility consumption and utilization accounts; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, the World Health Organization has announced novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services Secretary Alex Azar declared a public health emergency for COVID-19, beginning on January 27, 2020; and

WHEREAS, on March 3, 2020, Seattle Mayor Jenny Durkan proclaimed a civil emergency exists in the City of Seattle; and

WHEREAS, the Washington Governor has declared a state of emergency in response to new cases of COVID-19, and on March 11, 2020 announced a ban on gatherings and events of more than 250 people in King, Snohomish, and Pierce Counties, and on March 16, 2020 tightened the ban to no more than 50 people among other efforts to contain the coronavirus outbreak; and

WHEREAS, on March 13, 2020, the President of the United States declared a national state of emergency in response to the COVID-19 pandemic; and

WHEREAS, the COVID-19 outbreak presents an extreme risk of person-to-person transmission of the virus and public health experts worldwide advise the best way to prevent a calamitous explosion of cases is to prevent infected people from coming in close contact with healthy ones; and

WHEREAS, while this practice of social distancing is critical in mitigating the rate of spread of the COVID-19 virus, it is having significant negative economic effects on the national and regional economy, in particular small businesses and workers in large sectors of the Seattle-area economy who cannot work remotely; and

WHEREAS, Seattle Public Utilities and Seattle City Light have a long history of providing assistance to low-income customers; and

WHEREAS, Seattle Public Utilities has several Seattle Municipal Code provisions requiring collection of interest on delinquent utility consumption and utilization charges; and

WHEREAS, Seattle Municipal Code (“SMC”) 21.49.130 authorizes the City Light Department to charge interest on delinquent utility consumption and utilization accounts, but requires compliance with SMC Chapter 3.02 procedures for any changes; and

WHEREAS, a consistent temporary policy towards relief from the collection of interest on delinquent utility consumption and utilization policy is intended for utility ratepayers; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that:

A. Pursuant to chapter 38.52 RCW, Article V, Section 2 of the City Charter, and Seattle Municipal Code subsection 10.02.010.A, the Mayor proclaimed a Civil Emergency on March 3, 2020 due to the novel coronavirus (COVID-19).

B. Delinquency rates on consumer loans in the United States have been trending upward, which tends to correlate with increases in unemployment.

C. Utility bills combined with the public health emergency for novel COVID-19 will inherently have a disproportionate negative impact on low-wage workers, individuals on fixed incomes, non-profit organizations and small businesses, inhibiting their ability to pay utility bills before their due date.

D. Several sections of the Seattle Municipal Code allow the City Light Department and Seattle Public

Utilities to charge interest on delinquent bill balances.

E. Temporarily waiving the charging of interest on delinquent bill balances as soon as possible is necessary both to help ease the negative impact on low-wage workers, individuals on fixed incomes, non-profit organizations and small businesses and to reduce the frequency of in-person bill payment during the emergency.

Section 2. No new interest charges shall be added to utility consumption and utilization accounts for residential customers, customers that are non-profit organizations as defined under Seattle Municipal Code subsection 5.30.040.C, or commercial customers with taxable gross annual receipts of less than \$5 million in 2019 on bills issued from the time this ordinance takes effect until the earlier of:

- A. Termination of the civil emergency proclaimed by the Mayor on March 3, 2020; or
- B. August 1, 2020.

Section 3. To the extent the following sections or subsections of the Seattle Municipal Code that authorize or require the collection of interest on delinquent utility customer consumption and utilization charges are inconsistent with Section 2 of this ordinance, they are superseded during the time period stated in Section 2:

- 21.04.470.D (Bills for water used - Delinquency);
- 21.28.260 (Billing and collection of wastewater charges);
- 21.33.110 (Delinquent payments - Enforcement procedures);
- 21.40.070 (Commercial collection rates and charges);
- 21.40.080 (Recycling and disposal station rates);
- 21.40.120.C (Payment of charges - delinquency and lien); and
- 21.49.130.E (Authority).

Section 4. Based on the findings of fact set forth in Section 1 of this ordinance, the Council finds and declares that this ordinance is a public emergency ordinance, which shall take effect immediately and is necessary for the protection of the public health, safety, and welfare.

Section 5. By reason of the findings set out in this ordinance, and the emergency that is declared to exist, this ordinance shall become effective immediately upon a passage by a 3/4 vote of the Council, and its approval by the Mayor, as provided in Article IV, subsection 1.I of the Charter of the City.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)