



October 2, 2020

The Honorable Luke E. Torian
Chair, House Appropriations Committee
Pocahontas Building
Richmond, Virginia 23219

The Honorable Janet D. Howell
Chair, Senate Finance & Appropriations Committee
Pocahontas Building
Richmond, Virginia 23219

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RE: Moratorium on Utility Disconnections

Dear Chair Torian and Chair Howell:

You are considering two similar items – Item 4-14 #2h and Item 4-14 #2s – regarding establishing a utility disconnect moratorium and a COVID-19 Relief Repayment Plan for a utility’s delinquent customers.

You also are considering Item 479.10 #1h, which sets forth in Paragraph B.2 certain allocations to be made from the Coronavirus Relief Fund

Indeed, the most significant difference between the two moratoria disconnect and debt relief items is that Item 4-14 #2h requires utilities use federal Coronavirus Relief Funds from the CARES Act, as referenced in Item 479.10 #1h.

The Virginia Municipal League (VML) represents cities and towns across the Commonwealth and their municipal utilities will be impacted by these proposals. VML has opposed a utility disconnection moratorium and advocated during this Special Session that the General Assembly use unallocated CARES Act funds to establish a financial assistance program for low-income households directly affected by the COVID pandemic’s economic disruption.

Therefore, VML strongly encourages the budget conferees to support Item 470.10 #1h and provide clarity in how funds to resolve municipal utility delinquencies will be allocated to ensure the rapid distribution of funds in either Item 4-14 #2h or Item 470.10#1h.

VML has long stated that we understand the financial hardship many Virginians – especially low-income Virginians – are experiencing during this pandemic. We believe that using CARES Act funds to establish a financial assistance program for delinquent utility customers is an especially strategic use of such funds.

We also respectfully ask that you consider additional language for either Item 4-14 or Item 479.10. Because funding authorization under the Coronavirus Relief Fund essentially expires on December 30, 2020, we believe it is crucial that either Item include:

- Language changes exempting the COVID-19 Relief Repayment Plan from the Administrative Process Act
- A requirement that the Department of Housing and Community Development establish, within 30-days of the General Assembly’s approval of the budget conference report, the program guidelines including eligibility determinations for applicants.
- A mandate for cooperation by other state agencies designated by the Department of Housing and Community Development to assist in eligibility determinations
- An allowance for utilities to apply for the relief funds on behalf of their customers with delinquent accounts
- A requirement that the program guidelines be submitted to the appropriate legislative committees prior to the program’s implementation.

Thank you for considering VML’s position on these important budget items.

Sincerely,

Michelle Gowdy
Executive Director

Cc: April Kees, Staff Director, Senate Finance and Appropriations Committee
Anne Oman, Staff Director, House Appropriations Committee

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