



Legislation Text

File #: Res 0767-2015, **Version:** *

Res. No. 767

Resolution calling upon the United States Congress to pass and the President to sign H.R. 870, also known as, the Puerto Rico Chapter 9 Uniformity Act of 2015.

By Council Members Torres, The Speaker (Council Member Mark-Viverito), Palma, Arroyo, Miller, Menchaca, Johnson, Rosenthal, Richards, Cohen, Reynoso, Lancman, Greenfield, King, Lander, Eugene, Kallos and Barron

Whereas, The Commonwealth of Puerto Rico is struggling with a weak economy, declining population and crushing debt obligations; and

Whereas, The unemployment rate in Puerto Rico has remained consistently high and currently stands at around 11.6%; and

Whereas, According to the U.S. Census, Puerto Rico's poverty rate is about 45% or nearly twice that of Mississippi, the poorest state in the Union; and

Whereas, Puerto Rico's financial plight is also distressing to the many New York City residents who have called the island their home, or have family and friends who live there; and

Whereas, Due to economic pressures the Puerto Rican population has declined, in contrast to the U.S. population which has increased; and

Whereas, Puerto Rico holds over \$73 billion dollars in public sector debt, much of which is held by its state-run corporations, such as the Puerto Rico Electrical Power Authority; and

Whereas, Puerto Rico is neither an independent nation, nor a U.S. state, but rather a U.S. territory; and

Whereas, Puerto Rico may not manipulate its currency to satisfy debt obligations as an independent nation might; and

Whereas, According to U.S. law, as currently written, Puerto Rico's municipalities, and their publicly-

owned corporations, may not claim bankruptcy in the way that the municipalities of states, such as Detroit, may; and

Whereas, In an effort to fill the gap in the law, the Puerto Rican government passed the Puerto Rico Public Corporations Debt Enforcement and Recovery Act (“Recovery Act”), which would have authorized certain government-owned corporations to restructure their debt; and

Whereas, In February of 2015, a court ruled the Recovery Act was inconsistent with federal law; and

Whereas, Without the Recovery Act or access to bankruptcy, Puerto Rico, and its residents—who are United States citizens—will be unable to avail themselves of orderly and established bankruptcy processes common under federal law; and

Whereas, The Puerto Rico Chapter 9 Uniformity Act of 2015 would amend Title 11 of the United States Code to treat Puerto Rico as a state for the purposes of adjusting the debts of municipalities; and

Whereas, Access to bankruptcy for the Commonwealth would provide an orderly, established, process for both debtors and creditors that balances public and private interests; now therefore, be it

Resolved, That the Council of the City of New York calls upon the Congress to pass and the President to sign H.R. 870, also known as, the Puerto Rico Chapter 9 Uniformity Act of 2015.

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5/1/2015
4:12pm
I.M.