

RES 16-008

Wilmington, Delaware
February 4, 2016

#4161

Sponsors:

Council
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Co-Sponsors:

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Members
Dorsey Walker
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Shabazz

WHEREAS, in June 2015, Puerto Rico's Governor Alejandro Garcia Padilla declared the Commonwealth's \$72 billion dollar debt "not payable" and the government effectively ran out of cash to continue operating; and

WHEREAS, this economic crisis has forced a second "Great Migration" much like after World War II, with more than 250,000 Puerto Ricans leaving the island since 2010; and

WHEREAS, Puerto Rico has taken extraordinary measures to address the situation, including shuttering more than 100 public schools, delaying tax refunds, increasing the retirement age, borrowing from the worker's compensation fund, withholding holiday bonuses, and increasing the local sales tax to a national high of 11.5%; and

WHEREAS, the Federal Government must take strong action to stabilize Puerto Rico and help it restructure the debt by incorporating bankruptcy and debt restructuring protections; and

WHEREAS, the Federal Government must grant Puerto Rico the right to declare for Chapter 9 bankruptcy; eliminate the annual Medicaid/ *Mi Salud* funding cap, and institute tax policies that foster economically diverse and living wage job creation, which will create sustainable growth; and

WHEREAS, the Earned Income Tax Credit is the United States' largest anti-poverty cash assistance program as it increases the ability of workers in low-paying jobs to support themselves and their families. However, the credit does not apply to Puerto Rico; and

WHEREAS, the Child Tax Credit provides substantial tax relief for families with children but applies in limited fashion in Puerto Rico where only families with three or more children are eligible for the tax credit refund; and

WHEREAS, prior to 1985, Puerto Rico had the ability to file for Chapter 9 bankruptcy relief, which was later taken from the territory, thereby limiting its ability to restructure its debts on its own; and

WHEREAS, in October of 2015, over 400 Puerto Rican elected officials and community leaders, representing many different organizations nationwide, convened in Orlando, Florida to discuss the fiscal crisis and a national call was done to establish “Unidos Para Puerto Rico”, which unites the Puerto Rican Diaspora and the coalition of Puerto Rican elected officials in creating a comprehensive National Puerto Rican Agenda that encompasses the problems affecting Puerto Ricans both on the island and in the United States; and

WHEREAS, on December 2, 2015, hundreds of Puerto Rican Community Leaders from across the country traveled to Washington, D.C. in a national call to action, hosting a press conference and a full lobbying day with members of Congress to promote the National Puerto Rican Agenda and call for Congressional action to pass reforms regarding bankruptcy and debt restructuring protections, health care equity, and tax policy before the holiday recess; and

WHEREAS, on January 7, 2016, a Pennsylvania Statewide PA 4 PR Meeting was held in the City of Lancaster to unify national Latino and civil rights organizations, labor, women, LGBT, African American and faith-based entities to respectfully ask President Obama and the United States Congress to address the American Fiscal and Humanitarian Crisis in Puerto Rico and the inequalities against 3.5 million U.S. citizens; and

WHEREAS, the crisis in Puerto Rico is emotional, moral, economic, political and social to many of us, and understanding of the history and our present moral obligation

to declare an absolute repudiation of the congressional neglect to the crisis is a reflection of humanity and solidarity.

WHEREAS, we need to act now to extend equal treatment to Puerto Rico and its American citizens, 3.5 million who reside on the island and 5 million in the diaspora in the United States and abroad.

NOW, THEREFORE, BE IT RESOLVED BY COUNCIL OF THE CITY OF WILMINGTON that Council joins the legislative action by city councils in Philadelphia, Chicago, New York City, Cleveland, Orlando, and New Jersey standing in unity on the national call to have the United States Congress and President Obama provide Puerto Rico with the tools to create a pathway to economic recovery.

Passed by City Council,
February 4, 2016

Attest: Maribel Seijo
City Clerk

Approved as to form this 4th
day of February, 2016.

Dany Dhotra
Assistant City Solicitor