

MAINE STATE LEGISLATURE

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L.D. 29

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BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 29, L.D. 29, Bill, "An Act to Implement the Recommendations of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households"

Amend the bill in Part A, in section 1 in that part designated "**§4992-A.**" in subsection 5 in the 10th line (page 3, line 13 in L.D.) by striking out the following: "These" and inserting in its place the following: 'Subject to the availability of federal fuel assistance block grant funds, these'

Further amend the bill in Part A, in section 1 in that part designated "**§4992-A.**" by inserting after subsection 5 the following:

'6. Transfer from Maine Rainy Day Fund; working capital advance for Fuel Assistance Reserve Fund. Notwithstanding Title 5, section 1585, the State Controller may transfer an amount not to exceed \$10,000,000 in any fiscal year from the available balance in the Maine Rainy Day Fund to the Fuel Assistance Reserve Fund authorized in subsection 1 as an advance for the purpose of providing necessary cash to ensure that fuel assistance benefits for the State's eligible elderly and low-income applicant households will be available prior to the beginning of the heating season. The request for the working capital advance must be made in writing by the Director of the Maine State Housing Authority. Transfers from the Maine Rainy Day Fund may only occur in lieu of the availability of all or part of the working capital advance from General Fund unappropriated surplus during any state fiscal year under subsection 5. Subject to the availability of federal fuel assistance block grant funds, funds transferred to the Fuel

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2 Assistance Reserve Fund must be repaid to the General Fund before
3 the close of the state fiscal year in which the working capital
4 advance was made. The State Controller shall report to the joint
5 standing committee of the Legislature having jurisdiction over
6 appropriations and financial affairs within 30 days of making any
7 working capital advance for the Fuel Assistance Reserve Fund.'

8 Further amend the bill in Part A by inserting after section
9 1 the following:

10
11 **'Sec. A-2. Maine State Housing Authority shall study fixed-price**
12 **home heating fuel contracts for fuel assistance recipients.** The Maine
13 State Housing Authority shall consult with the Maine Oil Dealers
14 Association and Maine Community Action programs to determine if
15 oil dealers are making fixed-price home heating fuel contracts
16 available to fuel assistance recipients and if and when it is
17 practical to make such contracts available to fuel assistance
18 recipients. The authority shall submit a report with suggested
19 legislation, if necessary, to the Joint Standing Committee on
20 Business and Economic Development by January 15, 2002. The Joint
21 Standing Committee on Business and Economic Development may
22 report out legislation to the Second Regular Session of the 120th
23 Legislature.'

24
25 Further amend the bill in Part B in section 1 in the 2nd
26 line (page 3, line 24 in L.D.) by striking out the following:
27 "The" and inserting in its place the following: 'Whenever it is
28 required by the Federal Government, the'

29
30 Further amend the bill in Part B in section 1 in the last
31 paragraph by striking out all of the last sentence (page 3, lines
32 37 to 39 in L.D.)

33
34 Further amend the bill in Part C in section 1 in the 6th
35 line (page 3, line 49 in L.D.) by striking out the following:
36 "grants to" and inserting in its place the following: 'grants
37 for the primary residences of moderate-income'

38
39 Further amend the bill in Part C in section 1 in the 8th
40 line (page 4, line 1 in L.D.) by inserting after the following:
41 "improvements." the following: 'In establishing the program, the
42 authorities shall use funding provided through the issuance of
43 private activity bonds available to both the Maine State Housing
44 Authority and the Finance Authority of Maine pursuant to the
45 provisions of the Maine Revised Statutes, Title 10, section 363.'

46
47 Further amend the bill in Part C in section 1 in the 9th
48 line (page 4, line 2 in L.D.) by inserting after the following:
49 "to the" the following: 'joint standing committee of the

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Legislature having jurisdiction over business and economic development matters, the'

Further amend the bill in Part C in section 1 in the last line (page 4, line 11 in L.D.) by striking out the following: "March 15" and inserting in its place the following: 'May 1'

Further amend the bill in Part D in section 1 in the 2nd and 3rd lines (page 4, lines 17 and 18 in L.D.) by striking out the following: **"and moderate-income"**

Further amend the bill in Part D in section 1 in the 5th line (page 4, line 20 in L.D.) by striking out the following: "\$8,000,000" and inserting in its place the following: '\$5,000,000'

Further amend the bill in Part D in section 1 in the 6th line (page 4, line 21 in L.D.) by striking out the following: "and moderate-income"

Further amend the bill in Part D in section 6 in the 3rd line (page 5, line 9 in L.D.) by striking out the following: **"and moderate-income"**

Further amend the bill in Part D in section 6 in the 5th line (page 5, line 12 in L.D.) by striking out the following: "\$8,000,000" and inserting in its place the following: '\$5,000,000'

Further amend the bill in Part D in section 6 in the 7th and 8th lines (page 5, lines 15 and 16 in L.D.) by striking out the following: "and moderate-income"

Further amend the bill in Part D in section 10 in the question in the first line (page 6, line 1 in L.D.) by striking out the following: "an \$8,000,000" and inserting in its place the following: 'a \$5,000,000'

Further amend the bill in Part E in section 1 in that part designated "S4981." in subsection 2 in the last line (page 6, line 47 in L.D.) by striking out the following: "and moderate-income"

Further amend the bill in Part E in section 2 in the 2nd line (page 7, line 17 in L.D.) by striking out the following: "an \$8,000,000" and inserting in its place the following: 'a \$5,000,000'

Further amend the bill in Part E in section 2 in the 4th line (page 7, line 19 in L.D.) by striking out the following: "and moderate-income"

2 Further amend the bill in Part F in section 1 in the 5th
line (page 7, line 29 in L.D.) by inserting after the following:
4 "jurisdiction" the following: 'over business and economic
development matters, the joint standing committee of the
6 Legislature having jurisdiction'

8 Further amend the bill in Part F in section 1 in lines 7 to
12 (page 7, lines 31 to 36 in L.D.) by striking out the
10 following: "on the feasibility of establishing an Office of
Energy Conservation within the Maine State Housing Authority.
12 The new Office of Energy Conservation would be established with
existing personnel performing similar functions elsewhere in
14 State Government along with 2 new positions and would be charged
with" and inserting in its place the following: 'on the most
16 cost-effective approaches to'

18 Further amend the bill in Part F in section 1 in the last
line (page 8, line 4 in L.D.) by striking out the following:
20 "March 15" and inserting in its place the following: 'September
1'
22

24 Further amend the bill by striking out all of Part H (page
8, lines 18 to 26 in L.D.)

26 Further amend the bill in Part I in section 1 in the 18th
line (page 8, line 48 in L.D.) by inserting after the following:
28 "having" the following: 'jurisdiction over business and economic
development matters, the joint standing committee of the
30 Legislature having'

32 Further amend the bill in Part I in section 1 in the 2nd
line from the end (page 9, line 5 in L.D.) by striking out the
34 following: "First" and inserting in its place the following:
'Second'

36 Further amend the bill in Part I in section 1 in the last
38 line (page 9, line 6 in L.D.) by striking out the following:
"March 15, 2001" and inserting in its place the following:
40 'January 15, 2002'

42 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
44 consecutively.

46 Further amend the bill by inserting at the end before the
summary the following:
48

50 **FISCAL NOTE**

The Maine State Housing Authority will incur some minor

additional costs to administer the Fuel Assistance Reserve Fund; identify and report on the most effective way to provide adequate funding of the 25% nonfederal share of weatherization program costs; study and report on ways to encourage Maine citizens to participate in an energy conservation loan program; adopt rules associated with establishing and administering the Energy Conservation Revolving Loan Fund; study fixed-price home heating fuel contracts for fuel assistance recipients; annually investigate the possibility of increasing the percentage of LIHEAP funds used for weatherization services; and study and report on the most cost-effective approaches to coordinating state energy conservation programs, encouraging energy conservation and providing a comprehensive energy conservation plan. These costs can be absorbed within the authority's existing budgeted resources.

The bill authorizes a working capital advance of up to \$10,000,000 from the General Fund unappropriated surplus for fuel assistance benefits. Any funds advanced must be returned before the close of the fiscal year in which the advance is made, subject to the availability of certain federal funds. General Fund revenue from interest on investments will be reduced in any year in which an advance is made. The amount of the reduction can not be estimated, but the maximum annual reduction is estimated to be approximately \$600,000.

The bill also authorizes a working capital advance of up to \$10,000,000 from the Maine Rainy Day Fund for fuel assistance benefits in the event that a working capital advance from the General Fund unappropriated surplus is not available. Any funds advanced must be returned before the close of the fiscal year in which the advance is made, subject to the availability of certain federal funds. If the Maine Rainy Day Fund is not at its statutory cap, revenue to the fund from interest on investments will be reduced in any year in which an advance is made. The amount of the reduction can not be estimated, but the maximum annual reduction is estimated to be approximately \$600,000.

The additional costs associated with working cooperatively with the Maine State Housing Authority to establish a program that provides low-interest loans or grants to Maine citizens can be absorbed by the Finance Authority of Maine utilizing existing budgeted resources.

The estimated cost of sending the bond issue included in Part D of the bill out to referendum will vary according to the total number of referenda enacted during the First Regular Session of the 120th Legislature to be submitted to the voters in November. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$121,392. Each additional referendum costs an additional \$8,000.

2 If approved by the voters, the total cost of this bond issue
is estimated to be \$8,286,500, with principal payments of
4 \$5,000,000 and interest payments of approximately \$3,286,500.

6 The costs associated with the Maine State Housing Authority
administering the Energy Conservation Revolving Loan Fund will be
8 based on the number of loan participants and can not be
determined at this time.

10 The State Planning Office within the Executive Department
12 will incur some minor additional costs to conduct a certain study
and to submit a required report to the Legislature. These costs
14 can be absorbed within the office's existing budgeted resources.'

16 SUMMARY

18 This amendment makes several changes to the original bill.
20 Among other things, the amendment:

22 1. Authorizes the Maine Rainy Day Fund to be used to provide
a working capital advance to the Fuel Assistance Reserve Fund in
24 the event a General Fund unappropriated surplus is not available
for that purpose;

26 2. Requires the Maine State Housing Authority to study
28 fixed-price fuel oil contracts for fuel assistance recipients;

30 3. Requires the Maine State Housing Authority and Finance
Authority of Maine to fund a program that provides low-interest
32 loans or grants to moderate-income Maine citizens through the
issuance of private activity bonds;

34 4. Reduces the amount of general obligation bonds proposed
36 to be issued to fund low-interest loans or grants for energy
conservation for low-income citizens from \$8,000,000 to
38 \$5,000,000;

40 5. Amends the wording of a proposed referendum question to
be submitted to the voters of Maine to reflect the lowered bond
42 issue amount;

44 6. Eliminates references to establishing an Office of
Energy Conservation within the Maine State Housing Authority;

46 7. Deletes a requirement that the Public Utilities
48 Commission monitor the effects of interruptible gas services on
the supply and price of home heating oil in Maine;

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2 8. Changes various reporting deadlines for reports to the
120th Legislature; and

4

9. Adds a fiscal note to the bill.

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