

MAINE STATE LEGISLATURE

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Date: 6/14/19 Minority L.D. 1231 (Filing No. H-607)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 892, L.D. 1231, Bill, "An Act To Fund Energy Efficiency Programs through a Fee on the Sale of Unregulated Heating Fuels"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 35-A MRSA §10119, sub-§1, ¶A, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

A. Any funds collected from an assessment on heating fuels, including the heating fuel fee imposed under Title 36, chapter 723;

Sec. 2. 36 MRSA §1760, sub-§9, as amended by PL 2015, c. 300, Pt. A, §14, is further amended to read:

9. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and electricity and except as provided in section 4951, when bought for cooking and heating in buildings designed and used for both human habitation and sleeping. The sale of kerosene or home heating oil that is prepackaged or dispensed from a tank for retail sale in a container with a capacity of 5 gallons or less, or the sale of any amount of wood pellets or any 100% compressed wood product intended for use in a wood stove or fireplace, or of any amount of firewood, is presumed to meet the requirements of this subsection when the product is received by the purchaser at the retail location.

Sec. 3. 36 MRSA c. 723 is enacted to read:

CHAPTER 723

HEATING FUEL FEE

§4951. Imposition of fee

Notwithstanding any provision of law to the contrary, a fee is imposed on the wholesale sale in the State of heating oil, propane, coal and kerosene in the amount of 1% of the wholesale sale price.

COMMITTEE AMENDMENT

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§4952. Administration

The fee imposed by this chapter is administered as provided in chapter 7 and Part 3, with the fee imposed pursuant to this chapter to be considered as imposed under Part 3.

The revenue derived from the fee imposed by this chapter must be allocated as follows:

1. Low-income home energy assistance. Twenty percent to the Maine State Housing Authority to assist eligible low-income households with heating costs under the fuel assistance program administered by the authority pursuant to Title 30-A, section 4991; and

2. Heating fuels efficiency and weatherization. Eighty percent to the Efficiency Maine Trust for deposit in the Heating Fuels Efficiency and Weatherization Fund established in Title 35-A, section 10119. The administrative costs as certified by the bureau of the fee must be reimbursed from the Heating Fuels Efficiency and Weatherization Fund.

§4953. Effective date

This chapter takes effect July 1, 2020.

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding for computer programming to update the sales tax return.

GENERAL FUND	2019-20	2020-21
All Other	\$26,000	\$0
GENERAL FUND TOTAL	<u>\$26,000</u>	<u>\$0</u>

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2019-20	2020-21
GENERAL FUND	\$26,000	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>\$26,000</u>	<u>\$0</u>

**HOUSING AUTHORITY, MAINE STATE
Low-income Home Energy Assistance - MSHA 0708**

Initiative: Allocates ongoing funds to assist low-income households with heating costs.

ROFS

COMMITTEE AMENDMENT "A" to H.P. 892, L.D. 1231

1	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
2	All Other	\$0	\$1,680,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$1,680,000</u>
5	HOUSING AUTHORITY, MAINE STATE		
6	DEPARTMENT TOTALS	2019-20	2020-21
7			
8	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,680,000
9			
10	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$1,680,000</u>
11	SECTION TOTALS	2019-20	2020-21
12			
13	GENERAL FUND	\$26,000	\$0
14	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,680,000
15			
16	SECTION TOTAL - ALL FUNDS	<u>\$26,000</u>	<u>\$1,680,000</u>
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SUMMARY

The amendment makes the following changes to the bill. It:

1. Adds language to clarify that the fee imposed by the bill is an exception to the tax exemption for heating fuels provided under the State sales and use tax law;
2. Removes dyed diesel fuel from the list of fuels subject to the fee;
3. Removes language that would have required a wholesaler to know the fuel at wholesale sale is intended for residential or commercial heating purposes; and
4. Requires 20% of the revenue from the fee to go to the Maine State Housing Authority to assist eligible low-income households with heating costs under the fuel assistance program administered by the authority and 80% to go to the Efficiency Maine Trust for the Heating Fuel Efficiency and Weatherization Fund. In the bill 100% of the revenue is dedicated to the Efficiency Maine Trust.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



129th MAINE LEGISLATURE

LD 1231

LR 1675(02)

An Act To Fund Energy Efficiency Programs through a Fee on the Sale of Unregulated Heating Fuels

Fiscal Note for Bill as Amended by Committee Amendment *A(H-607)*

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$26,000	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$26,000	\$0	\$0	\$0
Other Special Revenue Funds	\$0	\$1,680,000	\$1,730,400	\$1,782,312
Revenue				
Other Special Revenue Funds	\$0	\$8,400,000	\$8,652,000	\$8,911,560

Fiscal Detail and Notes

This bill imposes a fee of 1% on the wholesale sale price of heating oil, propane, coal and kerosene that is intended for residential or commercial heating purposes. The bill requires that 80% of the revenue raised be credited to the Heating Fuels Efficiency and Weatherization Fund (HFEWF) administered by the Efficiency Maine Trust (EMT) for reducing heating fuel consumption and providing energy efficiency and weatherization products and services to consumers and 20% be credited to the Maine State Housing Authority (MSHA) to assist low-income households with heating costs.

The fee will generate revenue of \$8,400,000 in fiscal year 2020-21 with \$6,720,000 credited to the HFEWF and \$1,680,000 credited to the MSHA. The bill includes an Other Special Revenue Funds allocation of \$1,680,000 in fiscal year 2020-21 to the Low-income Home Energy Assistance - MSHA program to allow expenditure of the revenue anticipated to be received from the heating fuel fee. The bill also includes a one-time General Fund appropriation of \$26,000 in fiscal year 2019-20 to the Department of Administrative and Financial Services for computer programming to update the sales tax return.