

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2108

H.P. 1496

House of Representatives, January 7, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26. Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative PARADIS of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

**An Act to Protect Low-income Households from Hardships Due to
Delays in the Receipt of Home Energy Assistance Program Funds from
the Federal Government.**

(EMERGENCY)



2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 Whereas, the health and safety of low-income households may
be jeopardized by expected delays in the receipt of Low-Income
Home Energy Assistance Program, or LIHEAP, funds due to delays in
approval of the federal budget; and

10 Whereas, weather forecasters are predicting a cold winter
for Maine, which may create serious hardships for an estimated
12 60,000 Maine households who are eligible for LIHEAP; and

14 Whereas, the early availability of funds for LIHEAP is
essential to prevent needless suffering and the risk of persons
16 freezing to death due to the lack of fuel for home heating; and

18 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
20 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
22 safety; now, therefore,

24 **Be it enacted by the People of the State of Maine as follows:**

26 **Sec. 1. 5 MRSA §3518-B**, as enacted by PL 1989, c. 884, §1, is
amended to read:

28 **§3518-B. Energy Assistance Reserve Fund**

30
32 **1. Energy Assistance Reserve Fund.** The division shall use
funds appropriated pursuant to this section to establish and
34 capitalize the ~~Fuel~~ Energy Assistance Reserve Fund. The division
shall keep the ~~Fuel-Assistance-Reserve-Fund~~ fund separate from
all other funds managed by the division and use the fund only,
36 without exception, under the conditions set forth in this
section. ~~The Division-of-Community-Services~~ division shall use
38 the ~~Fuel-Assistance-Reserve-Fund~~ fund to ensure that fuel
assistance benefits under the home energy assistance program and
40 the energy crisis intervention program for the State's eligible
elderly and low-income residents are available prior to the
42 beginning of the heating season. The fund may not be used for
the weatherization assistance program and the central heating
44 improvement program.

46 **2. Timely distribution of benefits.** ~~The--Division--of~~
~~Community-Services~~ For at least the months of October, November
48 and December, the division shall make available to local program
operators and municipal administrators of the fuel assistance
50 program, no later than ~~October-1st-of-each-year~~ the first of each

of those months, funds sufficient to cover anticipated fuel assistance payments under the home energy assistance program and the energy crisis intervention program and program administrative costs for ~~at least the~~ each of those months of October, November and December.

3. Conditional use of the fund. The division's use of the fund is subject to the following conditions and limitations.

A. If the director reasonably anticipates that federal fuel assistance block grant funds are not available for distribution to the local program operators and municipal administrators by October 1st of each year, the division shall withdraw and distribute sufficient money from the fund as is necessary for the purposes set forth in this section. The division may withdraw funds prior to October 1st, provided that those funds are used only for costs incurred on or after October 1st.

Money may not be withdrawn from the fund if sufficient block grant funds are available to pay reasonably anticipated fuel assistance program and administrative costs as set forth in this section for the months of October, November and December.

B. Money withdrawn from the fund must be sufficient to cover anticipated ~~fuel assistance~~ payments under the home energy assistance program and the energy crisis intervention program and ~~fuel assistance~~ program administrative costs for all local program operators and municipal administrators for the months of October, November and December.

C. The division may not withdraw money from the fund ~~between October 1st and June 30th~~ after receipt of the federal block grant funds.

D. The fund may not be used if the ~~Director of Community Services~~ director knows, or is reasonably certain, that no federal fuel assistance money will be received.

4. Recapitalization. If money is withdrawn from the fund for the purposes of this section, the ~~Division of Community Services~~ division shall ensure that the fund is fully recapitalized by ~~June 30, 1991~~ September 30, 1992.

5. Expiration of fund. Authorization for the fund expires on ~~June 30, 1991~~ September 30, 1992. The division shall ensure that the fund is fully recapitalized and that all money in the fund is transferred to the General Fund no later than ~~June 30, 1991~~ September 30, 1992.

2 **Sec. 2.** PL 1989, c. 884, §2 is amended to read:

4 **Sec. 2.** **Working capital advance.** The State Controller is
6 authorized to advance to the Executive Department, Division of
8 Community Services, \$8,000,000 from the General Fund to the Fuel
10 Energy Assistance Reserve Fund. These funds will be used to
12 provide the working capital advance necessary to make timely fuel
14 assistance payments under the home energy assistance program and
the energy crisis intervention program to elderly and low-income
residents until receipt of ~~Low-income~~ Low-Income Home Energy
Assistance Block Grant funds. Funds advanced for this purpose
must be returned to the General Fund no later than ~~June-30,-1991~~
September 30, 1992, pursuant to the Maine Revised Statutes, Title
5, section 3518-B, subsection 5.

16 **Sec. 3.** **Allocation.** The following funds are allocated from
18 Other Special Revenue to carry out the purposes of this Act.

1991-92

20 **EXECUTIVE DEPARTMENT**

22 **Division of Community Services -**
24 **Energy Assistance Reserve Fund**

26 All Other \$6,000,000

28 Provides funds for the
30 expenditures from the Energy
32 Assistance Reserve Fund,
pursuant to the Maine Revised
Statutes, Title 5, section
34 3518-B, to provide a working
capital advance in
36 anticipation of federal fuel
assistance block grant funds.

38 **Emergency clause.** In view of the emergency cited in the
40 preamble, this Act takes effect when approved.

42 **STATEMENT OF FACT**

44 This bill changes the Fuel Assistance Reserve Fund to the
46 Energy Assistance Reserve Fund and allocates \$6,000,000 to the
state agency with responsibility for administering the Low-Income
48 Home Energy Assistance Program, or LIHEAP, to be used as start-up
funding for the program pending the receipt of federal funding.
The start-up funds are necessary to ensure that eligible
50 recipients of LIHEAP grants receive them in a timely fashion at
the beginning of the winter heating season.
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