

MILLAR

Cooney

HB

BILL NO. 139

INTRODUCED BY

BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING AND FINDING

AN ENERGY STAMPS PROGRAM TO ASSIST THE ELDERLY AND DISABLED OF LOWER INCOME IN PAYING UTILITY BILLS FOR WINTER HEATING."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Findings and purposes. (1) The legislature finds that the elderly or disabled citizens of the state of Montana who subsist on low, relatively fixed incomes have been particularly harmed by the energy crisis and its consequent rapid rise in rates for natural gas and electricity. Such persons have need for the aid of society especially in the winter months when the costs of heating a home become substantial. The legislature therefore finds that Article XII, section 3, of the Montana constitution mandates it to provide economic assistance to these persons.

(2) The purposes of this act are to provide such assistance by distributing certificates, known as energy stamps, which eligible persons may use in lieu of cash to pay utility bills in the winter months. Bureaucratic overhead will be minimized by utilizing the existing procedure for class eight property tax classification as the principal criterion for determining eligibility. This act

1 is funded for the 1977-1979 biennium only, and further
2 application will require action by the next legislature. It
3 is intended as an experiment and is not to be construed as a
4 commitment to a permanent program.

5 Section 2. Definitions. As used in this act, the
6 following definitions apply:

7 (1) "Annual household income" means the income, from
8 all sources, of an individual or a married couple.

9 (2) "Department" or "state department" means the
10 department of social and rehabilitation services.

11 (3) "Utility" means a cooperative or a corporation
12 whose rates are subject to the jurisdiction of the public
13 service commission, engaged in the business of furnishing
14 electricity or natural gas, or both.

15 (4) "Utility bill" means a periodic statement rendered
16 for the cost of electricity or natural gas, or both,
17 provided to a residence.

18 Section 3. Eligibility for energy stamps. (1) An owner
19 of a house classified as class eight (a) property for
20 taxation purposes is eligible to apply for energy stamps.

21 (2) A person who pays rent for his dwelling, which
22 rent does not include the cost of space heating, and who
23 would qualify for class eight (a) except for the criteria
24 therein relating to the value of the dwelling, is eligible
25 to apply for energy stamps.

*Papay
Gallo
Hing
Hager
Hobbs
Kesteven
Kipp
Tanner
J. J. Johnson
Skellern*

*Country
Ellis
Sally
Cooney
Ryan
Hand
Wright
Light
Ernst*

*Prople
Snyder
Palmer
Meloy
Vincent
Hawneker
Meyhan
Hampton*

1 Section 4. Issuance of energy stamps. The department
2 shall issue energy stamps to qualified applicants on the
3 following basis:

4 If applicant's annual household	Number of energy
5 income is less than:	stamps per month
6 \$4,000	3
7 6,000	2
8 ceiling for class eight eligibility	1

9 Section 5. Application for energy stamps. (1) An
10 eligible person may apply for energy stamps for a winter
11 heating season, on or after the first day of July, at the
12 county department of public welfare. The county department
13 shall verify a classification of a residence as class eight
14 (a) from the records of the county assessor and shall
15 determine the eligibility of a renter for energy stamps.

16 (2) When the county department has determined the
17 number of energy stamps to which a qualified applicant is
18 entitled, it shall note the exact time the application was
19 made and forward the application to the state department.

20 (3) The state department shall mail energy stamps to
21 qualified applicants on the last Friday in October, in the
22 order in which applications were filed, until all authorized
23 energy stamps have been issued. On the last Friday in
24 October the department shall also notify all other
25 applicants that no more energy stamps are available. If

1 energy stamps are available after the last Friday in
2 October, the state department shall respond to an
3 application within 72 hours after receiving the application
4 from the county department.

5 Section 6. Printing of energy stamps. The department
6 shall print 100,000 certificates bearing face values of \$10
7 for the winter of 1977-1978 and 100,000 similar certificates
8 for the winter 1978-1979. Each certificate shall also
9 indicate the month for which it is valid, which months are
10 December through March, and the applicable year.

11 Section 7. Use of energy stamps. A person to whom
12 energy stamps have been issued may use the stamps valid for
13 a particular month to pay all or part of a utility bill
14 rendered that month. An energy stamp is not valid payment
15 for any other utility bill. However, any amount by which
16 energy stamps tendered in payment exceed a utility bill
17 shall be credited on the utility bill for the next month.

18 Section 8. Redemption of energy stamps. A utility may
19 redeem energy stamps which it has accepted in payment by
20 presenting them to the department within 30 days following
21 the month for which the stamps have been issued. The
22 department shall promptly direct the payment of state
23 warrants to the utility for the face value of the stamps so
24 presented.

25 Section 9. Administration of energy stamps program.

1 (1) The department may:

2 (a) adopt such rules and prescribe such forms only to
3 the extent such rules and forms are strictly necessary to
4 interpret or implement this act; the rules may not exceed 10
5 pages in the Montana Administrative Code, including
6 materials incorporated by reference, without the approval of
7 the administrative code committee;

8 (b) employ personnel to carry out this act within the
9 appropriation of \$50,000 to the department for overhead
10 costs; such personnel shall be hired through the merit
11 system council and their positions are to be listed as
12 temporary, not permanent.

13 (2) A county department of public welfare shall carry
14 out the duties imposed upon it by this act within its budget
15 and authorized funding sources. If a county is already
16 levying the maximum number of mills authorized for support
17 of its department of public welfare, the county may exceed
18 that mill levy limitation by not more than 1/10 of 1 mill in
19 order to administer this act.

20 Section 10. Appropriation. There is appropriated to
21 the department of social and rehabilitation services for the
22 biennium ending June 30, 1979, the sum of \$2,050,000 for the
23 purposes of redeeming energy stamps and for administering
24 this act, from the following sources:

25 (1) From the income from coal tax revenues invested in

1 the trust fund established by Article IX, section 5, of the
2 Montana constitution, so much as is available, not exceeding
3 \$2,050,000; and

4 (2) from the general fund, the amount by which the
5 income from the aforesaid coal tax trust fund revenues falls
6 short of \$2,050,000.

7 Section 11. Severability. If a part of this act is
8 invalid, all valid parts that are severable from the invalid
9 part remain in effect. If a part of this act is invalid in
10 one or more of its applications, the part remains in effect
11 in all valid applications that are severable from the
12 invalid applications.

-End-

STATE OF MONTANA

REQUEST NO. 61-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 12, 19 77, there is hereby submitted a Fiscal Note for House Bill 139 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 139 is an act to assist the elderly and disabled of low income in paying winter utility bills.

ASSUMPTIONS:

1. All persons eligible will use energy stamps each month.
2. Income and population of those eligible would be distributed according to 1970 census information (income increased by 36% to 1976, senior citizen population increased 2.6%/year).
3. 75% of all class 8 units are heated by electricity or natural gas. 25% would be excluded.
4. Class 8 renter information is not available. Census data indicates that of low income persons, 43% rent and 57% own their home.
5. Total number of class 8 units will remain the same.
6. All renters pay their own heat.

FISCAL IMPACT:

The estimated additional cost of the proposed legislation is as follows:

	<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
Assistance payments for applicants with income:			
Under \$4,000	\$632,880	\$632,880	\$1,265,760
\$4,000 to \$6,000	162,320	162,320	324,640
\$6,000 to \$6,800	<u>23,680</u>	<u>23,680</u>	<u>47,360</u>
	818,880	818,880	1,637,760
Administrative Costs	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>
	<u>\$843,880</u>	<u>\$843,880</u>	<u>\$1,687,760</u>

If it is assumed that 50%, instead of 100%, of all renters pay their own heat, the estimated cost would decrease to approximately \$668,000 per year.

TECHNICAL NOTE:

1. The coal tax fund requires 2/3 vote to spend. Does this mean that if a majority vote fails and income is available in the coal tax fund that the state general fund pays the \$2,050,000 for this bill?
2. The eligibility criteria of this bill does not state heat source required; so a person could be eligible, use propane for heat and not be able to redeem the stamp.
3. Are the stamps to be transferable?
4. A person may qualify for stamps one month, yet fail to meet the income eligibility test the next. Is only one eligibility test to be used each year?
5. Energy stamps will reduce food stamp eligibility on a dollar for dollar basis and may affect SSI or other federal programs on a similar basis.

Richard L. Tracy for
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 1-17-77