

# HOUSE BILL REPORT

## HB 1676

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**As Passed House:**

February 23, 2007

**Title:** An act relating to allowing public utility districts to disburse low-income energy assistance contributions.

**Brief Description:** Allowing public utility districts to disburse low-income energy assistance contributions.

**Sponsors:** By Representatives Fromhold, Curtis, Moeller, Orcutt, Wallace, Dunn, Santos and Simpson.

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 2/6/07 [DP].

**Floor Activity:**

Passed House: 2/23/07, 93-1.

**Brief Summary of Bill**

- Allows public utility districts to retain voluntary contributions to assist low-income customers and disburse assistance funds to those who qualify.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** Do pass. Signed by 11 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Ericksen, Hankins, Hudgins, Hurst, Takko and VanDeWege.

**Staff:** Scott Richards (786-7156).

**Background:**

**Public Utility Districts**

Public utility districts are municipal corporations authorized under Washington statute to conserve the water and power resources of Washington and to supply public utility service, including water and electricity for all uses.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

### **Low-Income Heating and Energy Assistance Program**

The Low-Income Heating and Energy Assistance Program (LIHEAP) is a federally funded block grant that provides money to help low-income households make home heating more affordable, avoid shutoff of utility services during the winter and maintain a warm, safe and healthy environment for households with young children, the elderly, and the disabled. The LIHEAP payments are made to energy companies in most cases, or directly to clients to help pay a portion of home heating costs.

### **Voluntary Contributions to Assist Low-Income Customers**

As part of its regular customer billings, a public utility district (district) may request voluntary contributions to assist qualified low-income residential customers of the district in paying their electricity, water and sewer bills.

All funds received by the district in response to such requests are transmitted to the Department of Community, Trade, and Economic Development (Department) which administers federally funded energy assistance programs for the state in the district's service area or to a charitable organization within the district's service area. These funds are used solely to supplement assistance to low-income residential customers of the district in paying their electricity bills.

The Department or charitable organization is responsible for determining which of the district's customers are qualified for low-income assistance and the amount of assistance to be provided to those who are qualified.

### **Disbursal of Voluntary Contributions**

All assistance provided by these voluntary contributions is disbursed by the Department or charitable organization. Where possible, the district will be paid on behalf of the customer. When direct vendor payment is not feasible, a check will be issued jointly payable to the customer and to the district.

The availability of funds for assistance to a district's low-income customers as a result of voluntary contributions shall not reduce the amount of assistance for which the district's customers are eligible under the federally funded energy assistance programs administered by the grantee of the Department within the district's service area.

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### **Summary of Bill:**

#### **Voluntary Contributions to Assist Low-Income Customers**

A district is allowed to retain funds received, determine which of the district's customers are qualified for low-income assistance, calculate the amount of assistance to be provided to those who are qualified, and disburse assistance funds to those who qualify.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 5, 2007.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) Public utility districts believe they can disburse energy assistance contributions to qualified customers they serve more efficiently, saving up to 10 percent of the donations that are made for the purposes of this program. This could amount to as much as \$25,000 which could serve many families with this need.

It's important to point out that a district does not have to do it. A district can choose to do it the old way by going through the Department or the new way as detailed in the bill. For districts who choose to administer this program themselves they would save on administrative costs and serve more customers in need.

(Opposed) None.

**Persons Testifying:** Representative Fromhold, prime sponsor; Robin Appleford and Mat McCudden, Clark County Public Utility District; and Liz Luce.

**Persons Signed In To Testify But Not Testifying:** None.