March 26, 2012

SB 203: Energy Relief

**Summary of Changes Contained in draft Committee Substitute 27-LS1363\D**

1. Purpose (page 1, line 8)

Clarifies that the purpose of the energy voucher program is to provide Alaskans with relief from the effects of high 2011 energy costs, which correlates with the residency period for the permanent fund dividend paid in 2012.

1. AHFC administers voucher program (page 1, line 9 and throughout)

Substitutes Alaska Housing Finance Corporation for Department of Revenue as the state agency responsible for administering Section 1 of the bill, the energy voucher program.

1. Specific date for fuel price calculation and crediting consumer’s energy account (page 2, lines 6-19)

Directs AHFC to calculate the price of the energy for which each voucher is redeemed based on the distributor’s retail price on a specific date or dates in 2012 selected by AHFC. Upon receipt of a claim from a distributor, AHFC will send payment to the distributor to be credited to the voucher recipient’s energy account. The credit may be used for new deliveries of energy or to pay arrears. The credit may only be used for energy purchases and associated taxes, and may not be transferred to another account or paid in cash to the account holder. If an account with a voucher credit balance is closed, the distributor must submit the balance to the state.

1. Amounts and types of fuel (page 1, line 14)

The voucher is redeemable for the monetary equivalent of 250 gallons of heating oil, 350 CCF of natural gas or 1,500 KWH of electricity. The amounts were selected with the objective of providing approximately 2 months of energy based on estimates of average statewide residential consumption. A $250 cash option has been provided to residents who do not purchase electricity, oil or gas for their primary residence, or do not have access to a qualified distributor, to assist them in purchasing alternative fuels or paying their rent. A renter whose heat and electricity are included in rent has the alternative of requesting reissuance of the voucher to their landlord in exchange for a rent reduction.

1. Voucher issuance and expiration (page 3, line 1 and line 7)

AHFC will issue the voucher no more than 30 days after the Department of Revenue issues the individual’s PFD. The voucher must be redeemed with a distributor, or returned to AHFC for the $250 payment or reissuance to a landlord, within 4 months of issuance. The distributor must issue a receipt for the voucher to the recipient, and must submit a claim to AHFC within 30 days.

1. Location of fuel delivery (page 2, line 23)

The voucher recipient must sign and date a certification that the account into which the voucher reimbursement will be deposited is for energy delivered to their primary residence in Alaska.

1. Reissuance of voucher to landlord (page 4, line 16)

The request for reissuance of a voucher to a landlord must state the amount of the mutually agreed -upon rent reduction, and be signed by both parties, as well as certify that the reissued voucher will be used for energy at the original recipient’s primary residence in Alaska.

1. Eligibility for $250 (page 4, line 3 and line 10)

Applicants for the $250 payment must certify they will use the money for rent or energy at their primary residence in Alaska. Eligibility for the $250 payment is expanded to include voucher recipients who certify that they do not have reasonable access to a qualified distributor in the Alaska community where their primary residence is located.

1. Qualified distributors (page 3, line 21)

As part of the application process, distributors must submit the retail price they charged on the date specified by AHFC, along with any information required by AHFC to verify that price. AHFC may require information or evidence related to the price and must determine that the price is representative of the price charged under similar circumstances.

1. Qualified PFD recipients (page 1, line 10)

States that a voucher will be issued to each person who was an adult or emancipated minor in 2011 and was determined by the Department of Revenue to be eligible for the PFD paid in 2012.

1. Garnishment (page 6, line 20)

States that vouchers, account credits and cash payments cannot be garnished by the state or a private party.

1. AHFC emergency regulation authority and exemption from procurement rules (page 9, lines 2-9)

Grants AHFC the authority to adopt emergency regulations and exempts AHFC from procurement laws to enable the agency to implement the program rapidly.

1. Appeals of AHFC decisions (page 5, lines 14-29)

States that the existing Department of Revenue appeal process for PFD denial is the appeal process for denial of a voucher. The bill also creates an AHFC appeal process for challenging AHFC decisions about distributor qualifications, voucher claims, and payments, and violations of the laws governing the voucher program.

1. Penalties for violating the energy relief law (page 6, line 2)

Adds forfeiture of state payments and reimbursements related to the voucher program to the penalties for violating the laws governing the program.

1. Voucher recipients who cannot act on their own behalf (page 4, line 22 and page 7, line 4)

Amends language regarding signature of vouchers on behalf of impaired people, so it mirrors the PFD law regarding disabled and incompetent applicants.

1. AHFC access to PFD information (page 6, line 22)

Directs the Department of Revenue to provide in electronic format all information about Permanent Fund Dividend recipients that AHFC needs to administer the energy relief program, including social security numbers.

1. Public input into energy assistance program analysis and recommendation (page 7, line 12)

Amends section 2 of the bill by adding the requirement that, before issuing his report and recommendation, the governor takes public comment and considers recommendations from organizations involved in providing energy or energy assistance to Alaskans.

1. Immediate effective date (page 9, line 10)

Adds an immediate effective date to the bill and the title.