

HB

336

<TARGET><BILL>HB 336</BILL><SUBJECT>HB
336</SUBJECT><COMM>HENE27</COMM></TARGET>

27-LS1403\E
Nauman
4/2/12

CS FOR HOUSE BILL NO. 336(ENE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ENERGY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES THOMPSON, Guttenberg, Herron, Edgmon, Miller, Gruenberg, Petersen, Joule, Kerttula, Foster

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing an energy assistance program in the Alaska Housing Finance**
2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
3 **relating to the analysis and recommendation of an energy assistance program by the**
4 **governor; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **ALASKA ENERGY VOUCHER.** (a) To help residents meet the high cost of energy
9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each person who, in
11 2011, was an adult or an emancipated minor who was permitted to apply for a permanent fund
12 dividend on the person's own behalf and who was determined by the Department of Revenue
13 to be eligible for the permanent fund dividend paid in 2012.

14 (b) An energy voucher issued under this section is redeemable for the monetary

1 equivalent of 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of
2 natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
3 this subsection, the monetary equivalent of 250 gallons of heating oil, 35,000 cubic feet of
4 natural gas, or 1,500 kilowatt-hours of electricity is the retail price of 250 gallons of heating
5 oil, 35,000 cubic feet of natural gas, or 1,500 kilowatt-hours of electricity as approved for
6 each distributor qualified under (e) of this section. The corporation shall specify a date in
7 2012 for which each distributor that wants to be qualified under (e) of this section shall
8 submit the retail price of 250 gallons of heating oil, the retail price of 35,000 cubic feet of
9 natural gas, or the retail price of 1,500 kilowatt-hours of electricity, as applicable. On receipt
10 of a voucher and eligible claim, the corporation shall issue a payment to the qualified
11 distributor of the monetary amount determined under this subsection using the retail price
12 approved by the corporation under (e) of this section for a qualified distributor for the
13 applicable type of energy or fuel. On receipt of the payment from the state, a qualified
14 distributor shall credit the full amount of the payment to the account that services the principal
15 residence of the recipient of the voucher. A payment made under this section may not be used
16 for costs unassociated with the purchase of the energy or fuel, may not be transferred between
17 customer accounts, and may not be paid out in cash. If an account with a remaining balance
18 from a payment made under this section is closed, a qualified distributor shall return the
19 balance of the account attributable to the energy voucher to the state.

20 (c) The energy voucher

21 (1) shall be numbered and state the name of the person to whom the voucher is
22 issued;

23 (2) must require the recipient of the voucher to sign, and date, and certify, on a
24 form bearing notice that false statements made in the form are punishable by law, that the
25 recipient of the voucher is complying with all the requirements of the voucher, including the
26 requirement that the voucher amount be used to supply heating oil, natural gas, or electricity
27 to the voucher recipient's primary residence in the state;

28 (3) is nontransferable and may not be sold, transferred, or traded for any other
29 compensation, except as provided in (g) and (l) of this section;

30 (4) is redeemable only at a distributor qualified under (e) of this section and
31 may not be split among multiple distributors;

1 (5) is not valid for submission to a distributor more than four months after the
2 date the energy voucher is issued;

3 (6) is valid for heating oil, natural gas, or electricity delivered to the voucher
4 recipient's primary residence in the state; and

5 (7) shall be issued by the corporation not more than 30 days following the
6 issuance in 2012 of the permanent fund dividend.

7 (d) A distributor qualified under (e) of this section shall, within 30 days after
8 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
9 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
10 of this section to the qualified distributor for an energy voucher not later than 20 days after
11 receiving an eligible claim from a qualified distributor. Submitted claims must include

12 (1) the number of the voucher;

13 (2) the name of the recipient, as stated on the voucher; and

14 (3) the address or other identifying information requested by the corporation
15 listed on the heating oil, natural gas, or electricity account that the voucher will credit.

16 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
17 redeem vouchers. A distributor of oil, natural gas, or electricity is qualified if the distributor

18 (1) is licensed to do business in the state;

19 (2) is regularly engaged in the business of distributing oil, natural gas, or
20 electricity;

21 (3) submits a retail price of oil, natural gas, or electricity, as applicable, for the
22 quantities described in (a) of this section, submits all evidence for that retail price requested
23 by the corporation, and responds to inquiries of the corporation related to that retail price, and
24 the corporation finds that retail price is representative of the price charged under similar
25 circumstances; and

26 (4) meets other eligibility requirements that the corporation may adopt under
27 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

28 (f) In determining the eligibility of an individual under a public assistance program, a
29 heating assistance program, or a veterans' benefits program in which eligibility for assistance
30 is based on financial need, the state may not consider an energy voucher as income or
31 resources received by the recipient or by a member of the recipient's household.

1 (g) If a recipient of an energy voucher certifies on a form provided by the corporation,
2 bearing notice that false statements made on the form are punishable by law, that the recipient

3 (1) does not pay directly for the heating oil, natural gas, or electricity used in
4 the recipient's residence or does not have reasonable access to a qualified distributor of the
5 type of fuel or electricity used in the recipient's primary residence in the state, the recipient
6 may exchange the voucher with the corporation

7 (A) for a replacement voucher in the name of the landlord of the
8 primary residence in the state in which the recipient resides, the full value of which
9 shall be deducted by the landlord from the recipient's rent; or

10 (B) upon certification that the \$250 will be used toward rent, energy,
11 or heating costs at the recipient's primary residence in the state, for a check for \$250 in
12 the recipient's name;

13 (2) heats the recipient's primary residence exclusively with a fuel that is not
14 heating oil, natural gas, or electricity, does not have reasonable access to a qualified
15 distributor of heating oil or natural gas, and that the \$500 will be used toward heating costs at
16 the recipient's primary residence in the state, the recipient may exchange the voucher with the
17 corporation for a check for \$500 in the recipient's name.

18 (h) Except as provided in (j) of this section or as may be provided by regulations
19 adopted by the corporation, an energy voucher issued under this section is not valid unless it
20 is signed and dated by the individual named on the face of the voucher.

21 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
22 until the landlord certifies on a form provided by the corporation bearing notice that false
23 statements made in the form are punishable by law that the full amount of the voucher will be
24 used to provide energy or heat to the primary residence of the original recipient of the voucher
25 and certifies that the landlord will apply the full amount of the voucher against the rent of the
26 original recipient of the voucher.

27 (j) Certification or signature on an energy voucher or other certification under this
28 section required of an individual who is disabled or incompetent may be signed or certified by
29 the individual's legal guardian or other authorized representative. An individual may
30 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
31 the United States who is serving on active duty outside of the United States if the individual

1 has a power of attorney from the member of the armed forces that, in specific or general
2 terms, authorizes the individual to redeem the voucher.

3 (k) An individual who is disabled or incompetent may not maintain a claim against
4 the state or an officer or employee of the state based on the manner in which the guardian or
5 authorized representative other than a public agency of the state managed or disposed of an
6 energy voucher received on behalf of the disabled or incompetent individual.

7 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
8 issued or redeemed, the energy voucher may be transferred to a personal representative of the
9 estate or to a successor claiming personal property under AS 13.16.680.

10 (m) In addition to any criminal penalties imposed by state law, if an individual or
11 qualified distributor is convicted of a crime in connection with a false statement made in a
12 certification required under this section, in a submission for a reimbursement under (d) of this
13 section, or in connection with forging an energy voucher, and the conviction is not reversed,
14 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
15 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
16 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
17 monetary amount received from the voucher, and the individual is not eligible for a future
18 permanent fund dividend.

19 (n) If an individual is aggrieved by a decision of the Department of Revenue with
20 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
21 voucher, the individual may request that the department review its decision under
22 AS 43.23.015(g).

23 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
24 Finance Corporation with respect to the individual's authority to claim an energy voucher on
25 behalf of another, or reimbursement of a distributor, or other decision under (e), (g), or (m) of
26 this section, the individual or distributor may request that the corporation review its decision.
27 Within 12 months after an administrative appeal under this subsection is filed, the corporation
28 shall provide the individual or distributor with a final written decision. If the individual or
29 distributor is aggrieved by the final written decision of the corporation, the individual or
30 distributor may appeal that decision to the superior court in accordance with AS 44.62.560.
31 An appeal to the court under this subsection does not entitle the aggrieved individual or

1 distributor to a trial de novo. The appeal shall be based on the record of the administrative
2 proceeding from which appeal is taken, and the scope of appeal is limited to matters contained
3 in the record of the administrative proceeding.

4 (p) If the corporation determines that an energy voucher or a cash payment made in
5 exchange for a voucher should not have been issued to an individual or a reimbursement
6 should not have been made to a distributor, the state may use all collection procedures or
7 remedies available under AS 43 to recover the energy voucher or the cash value of the
8 voucher that was improperly issued or for which reimbursement was improperly made.
9 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper
10 reimbursement shall be sent to the individual or distributor, as applicable, within

11 (1) three years after the energy voucher was issued if the notice is sent to an
12 individual; or

13 (2) three years after the distributor received reimbursement if the notice is sent
14 to a distributor.

15 (q) The three-year time limit under (p) of this section for the corporation to send
16 notice of an improperly issued voucher or an improper reimbursement is extended to six years
17 if the corporation determines that the individual or distributor

18 (1) exercised gross negligence or reckless disregard with respect to a material
19 fact in connection with a false statement on the energy voucher or submission for
20 reimbursement; or

21 (2) forged an energy voucher.

22 (r) If notice is not sent within the time required under (p) or (q) of this section,
23 administrative or judicial proceedings may not be commenced for recovery of an improperly
24 issued energy voucher or improper reimbursement.

25 (s) An energy voucher, account credit, or cash payment provided under this section is
26 exempt from garnishment, levy, or execution by a private party or the state.

27 (t) To the extent allowed by federal law and notwithstanding other state law that may
28 be to the contrary, the department shall, on request of the corporation, electronically provide
29 the corporation with information about applicants who the department has determined are
30 eligible for the permanent fund dividend paid in 2012. Information requested by the
31 corporation under this subsection may include the name of the applicant, the address of the

1 applicant, the date of birth of the applicant, the social security number of the applicant, and
2 any other information necessary to execute the energy voucher program. Information from the
3 department may be used by the corporation only for the purpose of executing the energy
4 voucher program created under this section.

5 (u) In this section,

6 (1) "corporation" means the Alaska Housing Finance Corporation created
7 under AS 18.56;

8 (2) "department" means the Department of Revenue;

9 (3) "disabled" means physically or mentally unable to sign an energy voucher
10 or make a certification required in this section because of serious emotional disturbance,
11 visual, orthopedic, or other health impairment, or developmental disability that is attributable
12 to mental retardation, cerebral palsy, epilepsy, autism, or other cause; "disabled" does not
13 mean "incompetent."

14 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
17 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
18 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
19 energy assistance options in (b) of this section, and analyze alternate options to those
20 proposed in (b) of this section for providing energy assistance to Alaskans and, before
21 October 1, 2012, the governor shall provide a report to the legislature making a
22 recommendation for an energy assistance program to be implemented in the fiscal year ending
23 June 30, 2014, that

24 (1) correlates the amount of assistance to the local cost of residential heating,
25 taking into consideration the price of fuel and heating degree days in each community;

26 (2) is implemented based on crude oil price or heating oil price;

27 (3) has total funding based on state revenue;

28 (4) minimizes administrative costs;

29 (5) makes participation of fuel distributors voluntary;

30 (6) includes a hold harmless provision for recipients of public assistance and
31 veterans' benefits; and

1 (7) includes penalties for fraud, including ineligibility for a future permanent
2 fund dividend.

3 (b) The governor shall analyze the following options and may analyze alternate
4 options to provide energy assistance to Alaskans:

5 (1) a fuel price reduction program with the following features:

6 (A) state reimbursement to a heating oil or natural gas distributor of a
7 portion of the wholesale purchase price of fuel that the distributor sold to heat
8 residential structures;

9 (B) an amount of reimbursement necessary to reduce the wholesale
10 purchase price of a distributor by a specified amount or to a specified price;

11 (C) a limit on the amount of fuel that a person may purchase and for
12 which a distributor received a state reimbursement; and

13 (2) an individual account program with the following features:

14 (A) application on a permanent fund dividend application for energy
15 assistance in the form of a state payment to the applicant's account with a fuel
16 distributor or electric utility;

17 (B) assistance based on heating degree days and the cost of energy in
18 the community;

19 (C) electronic selection of

20 (i) a fuel distributor or electric utility to receive the individual's
21 energy assistance payment; and

22 (ii) an optional amount from the applicant's dividend to be
23 deposited in the individual's account with a fuel distributor or electric utility;

24 (D) a statewide base amount to be sent with the applicant's permanent
25 fund dividend for an applicant for energy assistance who fails to select a fuel
26 distributor or electric utility to receive the individual's energy assistance payment.

27 (c) The governor's report to the legislature under (a) of this section shall evaluate

28 (1) the estimated cost of the program for the first five years;

29 (2) the cost of administering the program compared to the assistance provided;

30 (3) whether the program provides the highest level of assistance to the
31 individuals with the highest heating costs; and

1 (4) whether the program can be structured so that energy assistance is not
2 subject to federal taxation.

3 (d) In this section, "heating degree days" means the average temperature for a day
4 minus the reference temperature of 65 degrees Fahrenheit.

5 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.

8 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt
9 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska
10 energy voucher program in sec. 1 of this Act without making written findings under
11 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to
12 implement this Act and for the immediate preservation of public health and general welfare.
13 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including
14 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.

15 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

27-LS1403VI
Nauman
3/26/12

CS FOR HOUSE BILL NO. 336()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMPSON, GUTTENBERG, HERRON, EDGMON, MILLER, GRUENBERG, PETERSEN, JOULE, KERTTULA, FOSTER

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2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
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4 **governor; and providing for an effective date."**

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7 to read:

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9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each person who, in
11 2011, was an adult or an emancipated minor who was permitted to apply for a permanent fund
12 dividend on the person's own behalf and who was determined by the Department of Revenue
13 to be eligible for the permanent fund dividend paid in 2012.

14 (b) An energy voucher issued under this section is redeemable for the monetary

1 equivalent of 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of
2 natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
3 this subsection, the monetary equivalent of 250 gallons of heating oil, 35,000 cubic feet of
4 natural gas, or 1,500 kilowatt-hours of electricity is the retail price of 250 gallons of heating
5 oil, 35,000 cubic feet of natural gas, or 1,500 kilowatt-hours of electricity as approved for
6 each distributor qualified under (e) of this section. The corporation shall specify a date in
7 2012 for which each distributor that wants to be qualified under (e) of this section shall
8 submit the retail price of 250 gallons of heating oil, the retail price of 35,000 cubic feet of
9 natural gas, or the retail price of 1,500 kilowatt-hours of electricity, as applicable. On receipt
10 of a voucher and eligible claim, the corporation shall issue a payment to the qualified
11 distributor of the monetary amount determined under this subsection using the retail price
12 approved by the corporation under (e) of this section for a qualified distributor for the
13 applicable type of energy or fuel. On receipt of the payment from the state, a qualified
14 distributor shall credit the full amount of the payment to the account that services the principal
15 residence of the recipient of the voucher. A payment made under this section may not be used
16 for costs unassociated with the purchase of the energy or fuel, may not be transferred between
17 customer accounts, and may not be paid out in cash. If an account with a remaining balance
18 from a payment made under this section is closed, a qualified distributor shall return the
19 balance of the account attributable to the energy voucher to the state.

20 (c) The energy voucher

21 (1) shall be numbered and state the name of the person to whom the voucher is
22 issued;

23 (2) must require the recipient of the voucher to sign, and date, and certify, on a
24 form bearing notice that false statements made in the form are punishable by law, that the
25 recipient of the voucher is complying with all the requirements of the voucher, including the
26 requirement that the voucher amount be used to supply heating oil, natural gas, or electricity
27 to the voucher recipient's primary residence in the state;

28 (3) is nontransferable and may not be sold, transferred, or traded for any other
29 compensation, except as provided in (g) and (I) of this section;

30 (4) is redeemable only at a distributor qualified under (e) of this section and
31 may not be split among multiple distributors;

1 (5) is not valid for submission to a distributor more than four months after the
2 date the energy voucher is issued;

3 (6) is valid for heating oil, natural gas, or electricity delivered to the voucher
4 recipient's primary residence in the state; and

5 (7) shall be issued by the corporation not more than 30 days following the
6 issuance in 2012 of the permanent fund dividend.

7 (d) A distributor qualified under (e) of this section shall, within 30 days after
8 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
9 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
10 of this section to the qualified distributor for an energy voucher not later than 20 days after
11 receiving an eligible claim from a qualified distributor. Submitted claims must include

12 (1) the number of the voucher;

13 (2) the name of the recipient, as stated on the voucher; and

14 (3) the address listed on the heating oil, natural gas, or electricity account that
15 the voucher will credit.

16 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
17 redeem vouchers. A distributor of oil, natural gas, or electricity is qualified if the distributor

18 (1) is licensed to do business in the state;

19 (2) is regularly engaged in the business of distributing oil, natural gas, or
20 electricity;

21 (3) submits a retail price of oil, natural gas, or electricity, as applicable, for the
22 quantities described in (a) of this section, submits all evidence for that retail price requested
23 by the corporation, and responds to inquiries of the corporation related to that retail price, and
24 the corporation finds that retail price is representative of the price charged under similar
25 circumstances; and

26 (4) meets other eligibility requirements that the corporation may adopt under
27 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

28 (f) In determining the eligibility of an individual under a public assistance program, a
29 heating assistance program, or a veterans' benefits program in which eligibility for assistance
30 is based on financial need, the state may not consider an energy voucher as income or
31 resources received by the recipient or by a member of the recipient's household.

1 (g) A recipient of an energy voucher who does not pay directly for the heating oil,
2 natural gas, or electricity used in the recipient's residence or who does not have reasonable
3 access to a qualified distributor of the type of fuel or electricity used in the recipient's
4 residence in the state may certify that fact on a form provided by the corporation bearing
5 notice that false statements made in the form are punishable by law, and may exchange the
6 voucher with the corporation

7 (1) if applicable, for a replacement voucher in the name of the landlord or
8 owner of the residence in the state in which the recipient resides, the value of which may,
9 subject to negotiations between the landlord and tenant, be deducted from rent; or

10 (2) upon certification that the \$250 will be used toward rent, energy, or
11 heating costs at the recipient's primary residence in the state, for a check for \$250 in the name
12 of the recipient of the energy voucher.

13 (h) Except as provided in (j) of this section or as may be provided by regulations
14 adopted by the corporation, an energy voucher issued under this section is not valid unless it
15 is signed and dated by the individual named on the face of the voucher.

16 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
17 until the landlord certifies on a form provided by the corporation bearing notice that false
18 statements made in the form are punishable by law that the amount of the voucher will be
19 used to provide energy or heat to the primary residence of the original recipient of the voucher
20 and certifies to the amount that the landlord will apply against the rent of the original recipient
21 of the voucher.

22 (j) Certification or signature on an energy voucher or other certification under this
23 section required of an individual who is disabled or incompetent may be signed or certified by
24 the individual's legal guardian or other authorized representative. An individual may
25 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
26 the United States who is serving on active duty outside of the United States if the individual
27 has a power of attorney from the member of the armed forces that, in specific or general
28 terms, authorizes the individual to redeem the voucher.

29 (k) An individual who is disabled or incompetent may not maintain a claim against
30 the state or an officer or employee of the state based on the manner in which the guardian or
31 authorized representative other than a public agency of the state managed or disposed of an

1 energy voucher received on behalf of the disabled or incompetent individual.

2 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
3 issued or redeemed, the energy voucher may be transferred to a personal representative of the
4 estate or to a successor claiming personal property under AS 13.16.680.

5 (m) In addition to any criminal penalties imposed by state law, if an individual or
6 qualified distributor is convicted of a crime in connection with a false statement made in a
7 certification required under this section, in a submission for a reimbursement under (d) of this
8 section, or in connection with forging an energy voucher, and the conviction is not reversed,
9 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
10 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
11 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
12 monetary amount received from the voucher, and the individual is not eligible for a future
13 permanent fund dividend.

14 (n) If an individual is aggrieved by a decision of the Department of Revenue with
15 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
16 voucher, the individual may request that the department review its decision under
17 AS 43.23.015(g).

18 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
19 Finance Corporation with respect to the individual's authority to claim an energy voucher on
20 behalf of another, or reimbursement of a distributor, or other decision under (e), (g), or (m) of
21 this section, the individual or distributor may request that the corporation review its decision.
22 Within 12 months after an administrative appeal under this subsection is filed, the corporation
23 shall provide the individual or distributor with a final written decision. If the individual or
24 distributor is aggrieved by the final written decision of the corporation, the individual or
25 distributor may appeal that decision to the superior court in accordance with AS 44.62.560.
26 An appeal to the court under this subsection does not entitle the aggrieved individual or
27 distributor to a trial de novo. The appeal shall be based on the record of the administrative
28 proceeding from which appeal is taken, and the scope of appeal is limited to matters contained
29 in the record of the administrative proceeding.

30 (p) If the corporation determines that an energy voucher or a cash payment made in
31 exchange for a voucher should not have been issued to an individual or a reimbursement

1 should not have been made to a distributor, the state may use all collection procedures or
2 remedies available under AS 43 to recover the energy voucher or the cash value of the
3 voucher that was improperly issued or for which reimbursement was improperly made.
4 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper
5 reimbursement shall be sent to the individual or distributor, as applicable, within

6 (1) three years after the energy voucher was issued if the notice is sent to an
7 individual; or

8 (2) three years after the distributor received reimbursement if the notice is sent
9 to a distributor.

10 (q) The three-year time limit under (p) of this section for the corporation to send
11 notice of an improperly issued voucher or an improper reimbursement is extended to six years
12 if the corporation determines that the individual or distributor

13 (1) exercised gross negligence or reckless disregard with respect to a material
14 fact in connection with a false statement on the energy voucher or submission for
15 reimbursement; or

16 (2) forged an energy voucher.

17 (r) If notice is not sent within the time required under (p) or (q) of this section,
18 administrative or judicial proceedings may not be commenced for recovery of an improperly
19 issued energy voucher or improper reimbursement.

20 (s) An energy voucher, account credit, or cash payment provided under this section is
21 exempt from garnishment, levy, or execution by a private party or the state.

22 (t) To the extent allowed by federal law and notwithstanding other state law that may
23 be to the contrary, the department shall, on request of the corporation, electronically provide
24 the corporation with information about applicants who the department has determined are
25 eligible for the permanent fund dividend paid in 2012. Information requested by the
26 corporation under this subsection may include the name of the applicant, the address of the
27 applicant, the date of birth of the applicant, the social security number of the applicant, and
28 any other information necessary to execute the energy voucher program. Information from the
29 department may be used by the corporation only for the purpose of executing the energy
30 voucher program created under this section.

31 (u) In this section,

1 (1) "corporation" means the Alaska Housing Finance Corporation created
2 under AS 18.56;

3 (2) "department" means the Department of Revenue;

4 (3) "disabled" means physically or mentally unable to sign an energy voucher
5 or make a certification required in this section because of serious emotional disturbance,
6 visual, orthopedic, or other health impairment, or developmental disability that is attributable
7 to mental retardation, cerebral palsy, epilepsy, autism, or other cause; "disabled" does not
8 mean "incompetent."

9 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
12 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
13 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
14 energy assistance options in (b) of this section, and analyze alternate options to those
15 proposed in (b) of this section for providing energy assistance to Alaskans and, before
16 October 1, 2012, the governor shall provide a report to the legislature making a
17 recommendation for an energy assistance program to be implemented in the fiscal year ending
18 June 30, 2014, that

19 (1) correlates the amount of assistance to the local cost of residential heating,
20 taking into consideration the price of fuel and heating degree days in each community;

21 (2) is implemented based on crude oil price or heating oil price;

22 (3) has total funding based on state revenue;

23 (4) minimizes administrative costs;

24 (5) makes participation of fuel distributors voluntary;

25 (6) includes a hold harmless provision for recipients of public assistance and
26 veterans' benefits; and

27 (7) includes penalties for fraud, including ineligibility for a future permanent
28 fund dividend.

29 (b) The governor shall analyze the following options and may analyze alternate
30 options to provide energy assistance to Alaskans:

31 (1) a fuel price reduction program with the following features:

1 (A) state reimbursement to a heating oil or natural gas distributor of a
2 portion of the wholesale purchase price of fuel that the distributor sold to heat
3 residential structures;

4 (B) an amount of reimbursement necessary to reduce the wholesale
5 purchase price of a distributor by a specified amount or to a specified price;

6 (C) a limit on the amount of fuel that a person may purchase and for
7 which a distributor received a state reimbursement; and

8 (2) an individual account program with the following features:

9 (A) application on a permanent fund dividend application for energy
10 assistance in the form of a state payment to the applicant's account with a fuel
11 distributor or electric utility;

12 (B) assistance based on heating degree days and the cost of energy in
13 the community;

14 (C) electronic selection of

15 (i) a fuel distributor or electric utility to receive the individual's
16 energy assistance payment; and

17 (ii) an optional amount from the applicant's dividend to be
18 deposited in the individual's account with a fuel distributor or electric utility;

19 (D) a statewide base amount to be sent with the applicant's permanent
20 fund dividend for an applicant for energy assistance who fails to select a fuel
21 distributor or electric utility to receive the individual's energy assistance payment.

22 (c) The governor's report to the legislature under (a) of this section shall evaluate

23 (1) the estimated cost of the program for the first five years;

24 (2) the cost of administering the program compared to the assistance provided;

25 (3) whether the program provides the highest level of assistance to the
26 individuals with the highest heating costs; and

27 (4) whether the program can be structured so that energy assistance is not
28 subject to federal taxation.

29 (d) In this section, "heating degree days" means the average temperature for a day
30 minus the reference temperature of 65 degrees Fahrenheit.

31 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.

3 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt

4 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska

5 energy voucher program in sec. 1 of this Act without making written findings under

6 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to

7 implement this Act and for the immediate preservation of public health and general welfare.

8 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including

9 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.

10 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

Session:

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

Sponsor Statement CSHB 336

“An Act establishing an energy assistance program in the Department of Revenue to issue an energy voucher to Alaska permanent fund dividend recipients; and relating to the analysis and recommendation of an energy assistance program by the governor.”

Alaskans are struggling to heat their homes in the face of high energy costs. This crisis is undercutting families and stifling local economies, particularly in communities with the harshest climates and highest fuel costs.

House Bill 336 provides Alaskans with energy relief through fuel vouchers this fall, and develops a program to help residents deal with high heating costs during the transition to more affordable energy supplies.

HB 336 directs the Alaska Housing and Finance Corporation to send a voucher to every adult Permanent Fund Dividend recipient in the fall of 2012, which can be redeemed at the fuel distributor or utility of their choice for either 250 gallons of heating oil, an equivalent amount of natural gas, or 1,500 KWH of electricity. By providing an equal amount of fuel to each adult, the voucher system accounts for the disparate cost of different fuels and prices in different locations.

Renters and others who certify that they do not pay directly for home heating oil, natural gas or electricity may request the reissuance of their voucher in the name of their landlord or a \$250 cash payment.

The second section of the bill requires the governor to analyze two specific options for energy relief in FY13 and beyond: an evaluation of a “fuel price reduction program” and an “individual account program.” The executive branch may also analyze alternatives to those options before making a recommendation. The analysis and recommendation are due back to the legislature by October 1, 2012.

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

The program recommended by the state must correlate the amount of assistance to the local cost of residential heating, taking into consideration the price of fuel and "heating degree days" in each community, as well as satisfy other requirements designed to ensure an efficient and equitable program.

The third section authorizes AHFC to adopt regulations to implement the program

The fourth section provides for an immediate effective date for the program

HB 336 will provide needed relief this year, and develop a program to help families in the future. I ask for your support.

27-LS1403\B
Nauman
3/22/12

CS FOR HOUSE BILL NO. 336()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMPSON, GUTTENBERG, HERRON, EDGMON, MILLER, GRUENBERG, PETERSEN, JOULE, KERTTULA, FOSTER

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing an energy assistance program in the Alaska Housing Finance**
2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
3 **relating to the analysis and recommendation of an energy assistance program by the**
4 **governor; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **ALASKA ENERGY VOUCHER.** (a) To help residents meet the high cost of energy
9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each person who, in
11 2011, was an adult or an emancipated minor who was permitted to apply for a permanent fund
12 dividend on the person's own behalf and who was determined by the Department of Revenue
13 to be eligible for the permanent fund dividend paid in 2012.

14 (b) An energy voucher issued under this section is redeemable for the monetary

1 equivalent of 250 gallons of heating oil, the monetary equivalent of 350,000 cubic feet of
2 natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
3 this subsection, the monetary equivalent of 250 gallons of heating oil, 350,000 cubic feet of
4 natural gas, or 1,500 kilowatt-hours of electricity is the retail price of 250 gallons of heating
5 oil, 350,000 cubic feet of natural gas, or 1,500 kilowatt-hours of electricity as approved for
6 each distributor qualified under (e) of this section. The corporation shall specify a date in
7 2012 for which each distributor that wants to be qualified under (e) of this section shall
8 submit the retail price of 250 gallons of heating oil, the monetary equivalent of 350,000 cubic
9 feet of natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity, as
10 applicable. On receipt of a voucher and eligible claim, the corporation shall issue a payment
11 to the qualified distributor of the monetary amount determined under this subsection using the
12 retail price approved by the corporation under (e) of this section for a qualified distributor for
13 the applicable type of energy or fuel. On receipt of the payment from the state, a qualified
14 distributor shall credit the full amount of the payment to the account that services the principal
15 residence of the recipient of the voucher. A payment made under this section may not be used
16 for costs unassociated with the purchase of the energy or fuel, may not be transferred between
17 customer accounts, and may not be paid out in cash. If an account with a remaining balance
18 from a payment made under this section is closed, a qualified distributor shall return the
19 balance of the account attributable to the energy voucher to the state.

20 (c) The energy voucher

21 (1) shall be numbered and state the name of the person to whom the voucher is
22 issued;

23 (2) must require the recipient of the voucher to sign, and date, and certify, on a
24 form bearing notice that false statements made in the form are punishable by law, that the
25 recipient of the voucher is complying with all the requirements of the voucher, including the
26 requirement that the voucher amount be used to supply heating oil, natural gas, or electricity
27 to the voucher recipient's primary residence in the state;

28 (3) is nontransferable and may not be sold, transferred, or traded for any other
29 compensation, except as provided in (g) and (l) of this section;

30 (4) is redeemable only at a distributor qualified under (e) of this section and
31 may not be split among multiple distributors;

1 (5) is not valid for submission to a distributor more than four months after the
2 date the energy voucher is issued;

3 (6) is valid for heating oil, natural gas, or electricity delivered to the voucher
4 recipient's primary residence in the state; and

5 (7) shall be issued by the corporation not more than 30 days following the
6 issuance in 2012 of the permanent fund dividend.

7 (d) A distributor qualified under (e) of this section shall, within 30 days after
8 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
9 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
10 of this section to the qualified distributor for an energy voucher not later than 20 days after
11 receiving an eligible claim from a qualified distributor. Submitted claims must include

- 12 (1) the number of the voucher;
- 13 (2) the name of the recipient, as stated on the voucher; and
- 14 (3) the address listed on the heating oil, natural gas, or electricity account that
15 the voucher will credit.

16 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
17 redeem vouchers. A distributor of oil, natural gas, or electricity is qualified if the distributor

- 18 (1) is licensed to do business in the state;
- 19 (2) is regularly engaged in the business of distributing oil, natural gas, or
20 electricity;
- 21 (3) submits a retail price of oil, natural gas, or electricity, as applicable, for the
22 quantities described in (a) of this section submits all evidence for that retail price requested by
23 the corporation, and responds to inquiries of the corporation related to that retail price, and the
24 corporation finds that retail price is representative of the price charged under similar
25 circumstances; and
- 26 (4) meets other eligibility requirements that the corporation may adopt under
27 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

28 (f) In determining the eligibility of an individual under a public assistance program, a
29 heating assistance program, or a veterans' benefits program in which eligibility for assistance
30 is based on financial need, the state may not consider an energy voucher as income or
31 resources received by the recipient or by a member of the recipient's household.

1 (g) A recipient of an energy voucher who does not pay directly for the heating oil,
2 natural gas, or electricity used in the recipient's residence or who does not have reasonable
3 access to a qualified distributor of the type of fuel or electricity used in the recipient's
4 residence in the state may certify that fact on a form provided by the corporation bearing
5 notice that false statements made in the form are punishable by law, and may exchange the
6 voucher with the corporation

7 (1) if applicable, for a replacement voucher in the name of the landlord or
8 owner of the residence in the state in which the recipient resides, the value of which may,
9 subject to negotiations between the landlord and tenant, be deducted from rent; or

10 (2) upon certification that the \$250 will be used toward rent, energy, or
11 heating costs at the recipient's primary residence in the state, for a check for \$250 in the name
12 of the recipient of the energy voucher.

13 (h) Except as provided in (j) of this section or as may be provided by regulations
14 adopted by the corporation, an energy voucher issued under this section is not valid unless it
15 is signed and dated by the individual named on the face of the voucher.

16 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
17 until the landlord certifies on a form provided by the corporation bearing notice that false
18 statements made in the form are punishable by law that the amount of the voucher will be
19 used to provide energy or heat to the primary residence of the original recipient of the voucher
20 and certifies to the amount that the landlord will apply against the rent of the original recipient
21 of the voucher.

22 (j) Certification or signature on an energy voucher or other certification under this
23 section required of an individual who is disabled or incompetent may be signed or certified by
24 the individual's legal guardian or other authorized representative. An individual may
25 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
26 the United States who is serving on active duty outside of the United States if the individual
27 has a power of attorney from the member of the armed forces that, in specific or general
28 terms, authorizes the individual to redeem the voucher.

29 (k) An individual who is disabled or incompetent may not maintain a claim against
30 the state or an officer or employee of the state based on the manner in which the guardian or
31 authorized representative other than a public agency of the state managed or disposed of an

1 energy voucher received on behalf of the disabled or incompetent individual.

2 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
3 issued or redeemed, the energy voucher may be transferred to a personal representative of the
4 estate or to a successor claiming personal property under AS 13.16.680.

5 (m) In addition to any criminal penalties imposed by state law, if an individual or
6 qualified distributor is convicted of a crime in connection with a false statement made in a
7 certification required under this section, in a submission for a reimbursement under (d) of this
8 section, or in connection with forging an energy voucher, and the conviction is not reversed,
9 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
10 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
11 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
12 monetary amount received from the voucher, and the individual is not eligible for a future
13 permanent fund dividend.

14 (n) If an individual is aggrieved by a decision of the Department of Revenue with
15 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
16 voucher, the individual may request that the department review its decision under
17 AS 43.23.015(g).

18 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
19 Finance Corporation with respect to the individual's authority to claim an energy voucher on
20 behalf of another, or reimbursement of a distributor, or other decision under (e), (g), or (m) of
21 this section, the individual or distributor may request that the corporation review its decision.
22 Within 12 months after an administrative appeal under this subsection is filed, the corporation
23 shall provide the individual or distributor with a final written decision. If the individual or
24 distributor is aggrieved by the final written decision of the corporation, the individual or
25 distributor may appeal that decision to the superior court in accordance with AS 44.62.560.
26 An appeal to the court under this subsection does not entitle the aggrieved individual or
27 distributor to a trial de novo. The appeal shall be based on the record of the administrative
28 proceeding from which appeal is taken, and the scope of appeal is limited to matters contained
29 in the record of the administrative proceeding.

30 (p) If the corporation determines that an energy voucher or a cash payment made in
31 exchange for a voucher should not have been issued to an individual or a reimbursement

1 should not have been made to a distributor, the state may use all collection procedures or
2 remedies available under AS 43 to recover the energy voucher or the cash value of the
3 voucher that was improperly issued or for which reimbursement was improperly made.
4 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper
5 reimbursement shall be sent to the individual or distributor, as applicable, within

6 (1) three years after the energy voucher was issued if the notice is sent to an
7 individual; or

8 (2) three years after the distributor received reimbursement if the notice is sent
9 to a distributor.

10 (q) The three-year time limit under (p) of this section for the corporation to send
11 notice of an improperly issued voucher or an improper reimbursement is extended to six years
12 if the corporation determines that the individual or distributor

13 (1) exercised gross negligence or reckless disregard with respect to a material
14 fact in connection with a false statement on the energy voucher or submission for
15 reimbursement; or

16 (2) forged an energy voucher.

17 (r) If notice is not sent within the time required under (p) or (q) of this section,
18 administrative or judicial proceedings may not be commenced for recovery of an improperly
19 issued energy voucher or improper reimbursement.

20 (s) An energy voucher, account credit, or cash payment provided under this section is
21 exempt from garnishment, levy, or execution by a private party or the state.

22 (t) To the extent allowed by federal law and notwithstanding other state law that may
23 be to the contrary, the department shall, on request of the corporation, electronically provide
24 the corporation with information about applicants who the department has determined are
25 eligible for the permanent fund dividend paid in 2012. Information requested by the
26 corporation under this subsection may include the name of the applicant, the address of the
27 applicant, the date of birth of the applicant, the social security number of the applicant, and
28 any other information necessary to execute the energy voucher program. Information from the
29 department may be used by the corporation only for the purpose of executing the energy
30 voucher program created under this section.

31 (u) In this section,

1 (1) "corporation" means the Alaska Housing Finance Corporation created
2 under AS 18.56;

3 (2) "department" means the Department of Revenue;

4 (3) "disabled" means physically or mentally unable to sign an energy voucher
5 or make a certification required in this section because of serious emotional disturbance,
6 visual, orthopedic, or other health impairment, or developmental disability that is attributable
7 to mental retardation, cerebral palsy, epilepsy, autism, or other cause; "disabled" does not
8 mean "incompetent."

9 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
12 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
13 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
14 energy assistance options in (b) of this section, and analyze alternate options to those
15 proposed in (b) of this section for providing energy assistance to Alaskans and, before
16 October 1, 2012, the governor shall provide a report to the legislature making a
17 recommendation for an energy assistance program to be implemented in the fiscal year ending
18 June 30, 2014, that

19 (1) correlates the amount of assistance to the local cost of residential heating,
20 taking into consideration the price of fuel and heating degree days in each community;

21 (2) is implemented based on crude oil price or heating oil price;

22 (3) has total funding based on state revenue;

23 (4) minimizes administrative costs;

24 (5) makes participation of fuel distributors voluntary;

25 (6) includes a hold harmless provision for recipients of public assistance and
26 veterans' benefits; and

27 (7) includes penalties for fraud, including ineligibility for a future permanent
28 fund dividend.

29 (b) The governor shall analyze the following options and may analyze alternate
30 options to provide energy assistance to Alaskans:

31 (1) a fuel price reduction program with the following features:

1 (A) state reimbursement to a heating oil or natural gas distributor of a
2 portion of the wholesale purchase price of fuel that the distributor sold to heat
3 residential structures;

4 (B) an amount of reimbursement necessary to reduce the wholesale
5 purchase price of a distributor by a specified amount or to a specified price;

6 (C) a limit on the amount of fuel that a person may purchase and for
7 which a distributor received a state reimbursement; and

8 (2) an individual account program with the following features:

9 (A) application on a permanent fund dividend application for energy
10 assistance in the form of a state payment to the applicant's account with a fuel
11 distributor or electric utility;

12 (B) assistance based on heating degree days and the cost of energy in
13 the community;

14 (C) electronic selection of

15 (i) a fuel distributor or electric utility to receive the individual's
16 energy assistance payment; and

17 (ii) an optional amount from the applicant's dividend to be
18 deposited in the individual's account with a fuel distributor or electric utility;

19 (D) a statewide base amount to be sent with the applicant's permanent
20 fund dividend for an applicant for energy assistance who fails to select a fuel
21 distributor or electric utility to receive the individual's energy assistance payment.

22 (c) The governor's report to the legislature under (a) of this section shall evaluate

23 (1) the estimated cost of the program for the first five years;

24 (2) the cost of administering the program compared to the assistance provided;

25 (3) whether the program provides the highest level of assistance to the
26 individuals with the highest heating costs; and

27 (4) whether the program can be structured so that energy assistance is not
28 subject to federal taxation.

29 (d) In this section, "heating degree days" means the average temperature for a day
30 minus the reference temperature of 65 degrees Fahrenheit.

31 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.

3 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt

4 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska

5 energy voucher program in sec. 1 of this Act without making written findings under

6 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to

7 implement this Act and for the immediate preservation of public health and general welfare.

8 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including

9 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.

10 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

Session:

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

House Bill 336 Sponsor Statement

"An Act to provide Alaskans with immediate energy relief and create a program to help residents deal with high energy costs during the transition to more-affordable energy supplies."

Section 1: State sends a voucher to every adult PFD recipient in the fall of 2012, which can be redeemed at a fuel distributor or utility for 250 gallons of heating oil, or for the natural gas BTU equivalent, or for 1,500 KWH of electricity.

- Fuel distributors apply to be added to the list of qualified distributors.
- Vouchers are numbered, state the recipient's name and are non-transferable.
- Vouchers may be redeemed at any qualified fuel distributor in the state.
- Fuel may be delivered to any address in the state.
- Recipients who certify that they do not pay directly for home heating oil, natural gas or electricity may return their vouchers to the department and receive either: a replacement voucher in the name of their landlord, or a check for \$250.
- Distributors submit claims for reimbursement to the state that list voucher numbers, names of voucher owners, fuel delivery addresses and the retail price of fuel on the delivery date.
- The program will be administered by the Department of Revenue/AHFC

Section 2: Executive branch evaluates options and makes a recommendation for an energy assistance program for Alaskans in 2013 and beyond.

The analysis and recommendation are due October 1, 2012. The analysis will include evaluation of a "fuel price reduction" program, an "individual account" program and alternate options, as well as a recommendation for the best program that can be instituted in FY14:

Fuel price reduction option:

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

The state makes payments to fuel distributors to lower the price they charge Alaskans for residential heating fuel.

Distributors of heating oil and natural gas submit to the state proof of the wholesale purchase price for the fuel they distribute, and the state reimburses those distributors the amount necessary to effectively reduce that wholesale price a specified amount or to a specified price. Distributors receive this reimbursement for all fuel they sell in the state for residential heating. The executive branch analysis will include consideration of the limiting the number of gallons each Alaskan may purchase at the reduced rate.

Individual account option:

Alaskans apply through the annual PFD process and qualify for an amount of money to be deposited by the state in an account in their name at a fuel distributor or electric utility of their choice in their community. The amount of assistance varies depending on energy costs and heating degree days in each community.

The Permanent Fund Division creates an electronic system similar to “pick-click-give” through which applicants may select a fuel distributor or utility. Individuals who do not select a fuel distributor or utility receive a standard, statewide “base” amount of assistance in the form of a check to their PFD mailing addresses. The executive branch analysis will consider allowing Alaskans to deposit a portion of their PFD’s into their fuel accounts, in addition to their energy assistance.

The executive branch analysis of the options and its recommended program must include evaluation of the following:

1. Whether the program can be structured so the resulting energy assistance will not be subject to federal taxation.
2. The estimated cost of the program in FY14 and for the following 4 years.
3. The cost of administering the program relative to the assistance provided to Alaskans.
4. The extent to which the program provides the most assistance to those Alaskans who have the highest heating costs.

The recommended program must include the following:

- Amount of assistance correlated to the cost of home heating in different communities.
- Program triggered by ANS crude oil price or a heating oil price, and total program funding level dependent on state revenue.
- Penalties for fraud similar to PFD provisions, including loss of future PFD’s.
- Voluntary participation by fuel distributors.
- Administrative costs kept to a minimum.

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

House Bill 336 - Sectional Analysis

"An Act establishing an energy assistance program in the Department of Revenue to issue an energy voucher to Alaska permanent fund dividend recipients; and relating to the analysis and recommendation of an energy assistance program by the governor."

Section 1: The state will send a voucher to every adult PFD recipient in the fall of 2012. This can be redeemed at a fuel distributor or utility of your choice for the value of 250 gallons of heating oil, 350 CCF of natural gas, or for 1,500 KWH of electricity.

- The recipient decides whether to use the voucher for heating oil or natural gas or electricity, then gives the voucher to the distributor of their choice. If the recipient does not already have an account with the distributor, they open an account.
- Distributors send the vouchers to the state and submit claims for payment that list the voucher number, name of voucher owner, the delivery address and other information.
- Upon receipt of a claim from a distributor, the state sends payment to the distributor to be credited to the voucher recipient's account.
- The amount of the state payment will be calculated by multiplying the quantity of fuel provided by the voucher, by the distributor's retail price for that type of energy on a specific date in 2012.
- The credit may be used only for energy at the recipient's primary residence in Alaska, and may not be transferred to another account or paid in cash to the account holder.
- The credit may be used to pay a recipient's debt with the distributor.
- Each voucher may only be used at one distributor.
- Distributors can decide whether to deliver fuel immediately after they receive a voucher, or to wait until they receive payment from the state.
- The credit remains in the account until it is spent on energy delivered to the recipient's home.
- If the account is closed before all the credit is used, then the distributor sends the balance back to the state.

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

- Vouchers state the recipient's name, may not be sold or transferred, and require signature by both the recipient and the distributor.
- Recipients who certify that they do not pay directly for heating oil, natural gas or electricity at their primary residence may return their vouchers to the state and receive either: a replacement voucher in the name of their landlord, or a check for \$250. Individuals may also qualify for \$250 if they do not have a qualified distributor in their community.
- Participation by distributors is voluntary, and interested businesses can apply to be added to the list of qualified distributors.
- The program will be administered by the Alaska Housing Finance Corporation (AHFC).

Section 2: The Governor must evaluate options and make a recommendation for the best energy relief program that can be instituted in 2013 and beyond.

This recommendation is due October 1, 2012. This analysis must include an evaluation of a "fuel price reduction" program, an "individual account" program, and alternate options.

Section 3: AHFC may adopt regulations necessary to implement the program.

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Section 4: This legislation takes effect immediately.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CS HB 336 (ENE)
 Fiscal Note Number 1
 () Publish Date _____

Identifier (file name) HB336CS(ENE)-DOR-PFD-03-27-12 Dept. Affected Revenue
 Title Energy Assistance Program & Voucher Appropriation Tax & Treasury
 Allocation Permanent Fund Dividend
 Sponsor Representative Thompson
 Requester House Energy OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	72.9						
Travel							
Services	218.6						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	291.5	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF	291.5						
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		291.5	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary	2						

CHANGE IN REVENUES

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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for new CS.

Prepared by Deborah M. Bitney
 Division Permanent Fund Dividend
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 465-4785
 Date/Time 3/28/12 4:02 PM
 Date 3/29/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CS HB 336 (ENE)

Analysis

PFD expects this fiscal note to change as more clarification and information is provided to the Department of Revenue. Note corrected fund source

The bill creates an energy benefit by means of a voucher for Adults who are determined eligible for the 2012 PFD. The bill proposes the energy benefit to be distributed no later than December 1, 2012. The bill also tasks the Governor with determining how to make the program permanent through the PFD Division.

PFD expects increased appeals of ineligible applicants because of the value of the benefit added to dividend eligibility, a situation similar to that of the 2008 Resource Rebate at which time the Informal Appeals unit received approximately 900 additional appeals by applicants who were ineligible as a matter of law. Additional appeals staff, Range 12 PFD Tech II is needed to render informal appeals decisions within the statutorily designated time frame of 180 days.

Additionally, approximately 100 additional Formal level appeals were heard by Administrative Law Judges with Office of Administrative Hearings in which the divisions decision the applicant was ineligible was upheld. Increased OAH RSA is expected in the amount of \$113.6K.

As the value and benefit of the annual dividend program increases, so does the potential for fraud. \$105.K is requested to hire a firm to assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 336 (ENE)
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB336CS(ENE)-DOR-AHFC-04-02-12 Dept. Affected _____ Revenue _____
Title Energy Assistance Program & Vouchers Appropriation Alaska Housing Finance Corp.
Allocation AHFC Operations
Sponsor Representative Thompson
Requester House Energy Committee OMB Component Number 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	1,495.0		742.5	742.5	742.5	445.5	445.5
Travel	50.0		25.0	15.0	5.0	5.0	5.0
Services	13,195.0		763.5	460.0	460.0	313.4	313.4
Commodities							
Capital Outlay	10.0						
Grants, Benefits							
Miscellaneous	250.0						
TOTAL OPERATING	15,000.0	0.0	1,531.0	1,217.5	1,207.5	763.9	763.9

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1061	CIP Rcpts (Other)	15,000.0	1,531.0	1,217.5	1,207.5	763.9	763.9	
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		15,000.0	0.0	1,531.0	1,217.5	1,207.5	763.9	763.9

POSITIONS							
Full-time	10		5	3	3	2	2
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 465,000.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Stacy Schubert, Director Governmental Relations & Public Affairs
Division Alaska Housing Finance Corporation
Approved by Dan Fauske, Alaska Housing Finance Corporation
Department of Revenue

Phone 907-301-4556
Date/Time 4/2/12 8:05 PM
Date 4/2/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 336 (ENE)

Analysis

This bill requires Alaska Housing Finance Corporation (AHFC) to issue an energy voucher to each adult eligible for the permanent fund dividend in 2012. The energy voucher would be redeemable for 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. The voucher would be redeemable with a qualified energy distributor.

AHFC would be required to specify a date in 2012 for which each qualified distributor shall submit its retail prices for the fuel or energy source, and to issue payment for the published price of fuel on a certain date to a qualified distributor upon receipt of a voucher.

The energy distributor would credit the full amount to the recipient's account upon receipt of payment by AHFC. The energy voucher must be issued to eligible recipients not more than 30 days following the issuance of 2012 permanent fund dividend, and is valid for four months from date of issuance. The voucher is nontransferable except under specific circumstances including:

By a tenant to a landlord for rent deduction if the tenant does not pay directly for energy use or is unable to access an eligible distributor;

By an individual who is unable to access an eligible distributor. The individual may receive a check for \$250 from AHFC; or

If the voucher recipient dies before the voucher is issued or redeemed, it may be transferred to a personal representative or successor.

AHFC would be required to work closely with Department of Revenue (PFD division) to access qualified recipient information to develop and implement the voucher program with appropriate controls.

Section 2 of this bill directs the Office of the Governor to provide a report to the legislature before October 1, 2012 that analyzes and recommends an energy assistance program to be implemented in the fiscal year ending June 30, 2014.

Fund Amount:

In developing this fiscal note, there is an assumption that capital funds will be appropriated. A complete and accurate fiscal impact will be dependent on a number of factors which are presently unknown and include:

The date specified and agreed on by AHFC of the reimbursable price for the energy provided in each community; and

The number of participating distributors, number of Alaskans eligible to receive the voucher, and number of vouchers reimbursed for a negotiated rent reduction or a \$250 check.

Given the above-mentioned uncertainty, AHFC estimates cost impact of this bill will range from \$328,325,753 to \$465,000,000.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 336 (ENE)

Analysis Continued

Administrative Costs:

AHFC recognizes that it will not be possible to ramp up staff capacity to achieve the objectives described in the bill within the time constraints established in the bill. Therefore, AHFC intends to contract the majority of the work to obtain services, including, but not limited to:

Establish dedicated program database for tracking, administration and management of voucher recipients and distributors;
Create and establish dedicated website with online claim filing capabilities;
Establish and maintain toll-free telephone number at call center for customer support;
Develop and implement an outreach program, including possible grassroots campaign to reach Alaska residents;
Provide direct mail notice to Alaska residents and potentially qualified distributors regarding the program;
Receive and process distributor requests for qualification;
Establish procedures to qualify distributors for participation in the program;
Maintain list of qualified distributors;
Receive and process distributor claims for reimbursement;
Create and issue personalized, nontransferable uniquely numbered vouchers to Alaska residents;
Issue reimbursement checks to distributors who submit valid claims for reimbursement;
Track voucher redemption;
Handle replacement voucher requests, as needed;
Process claims for a \$250 check in lieu of the voucher and determine eligibility, as required;
Issue \$250, as needed, to eligible recipients, as required ;
Create and issue 1099's for recipients, as required.
Receive and process administrative mail from distributors and/or Alaska residents;
Providing reporting of status of the administrative activities; and
Maintain a record of all program contacts and responses thereto.

Based on the list of services above, AHFC anticipates the cost of services at \$15 million in FY13.

This fiscal note is based on the bill language that establishes the "voucher program" as a one year program. Given the scope and nature of utilization of contract services, extensive ramp-up will be required. Some elements for appeal processes extend up to six years, and there will be costs for the ramp down and dismantling of the program.

This estimate is based upon the possible requirements of AHFC as established in the bill. AHFC staff will be required to manage the necessary contract(s). Additional staff and expenses include administration, information systems, human resources, audit, and accounting support, computers and office space and systems, communications and travel.

Furthermore, as one of the state's largest landlords, AHFC's public housing division will be required to respond to tenant inquiries as it relates to the negotiation allowed under Section 1 (g) of the bill.

Total estimated operating costs for FY13 are \$15 million. This amount is listed as CIP Receipts as it will come from the capital appropriation.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 336 (ENE)
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB336CS(ENE)-DOR-AHFC-04-02-12 Dept. Affected Revenue
 Title Energy Assistance Program & Vouchers Appropriation Alaska Housing Finance Corp.
 Allocation AHFC Operations
 Sponsor Representative Thompson
 Requester House Energy Committee OMB Component Number 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	1,495.0		742.5	742.5	742.5	445.5	445.5	
Travel	50.0		25.0	15.0	5.0	5.0	5.0	
Services	13,195.0		763.5	460.0	460.0	313.4	313.4	
Commodities								
Capital Outlay	10.0							
Grants, Benefits								
Miscellaneous	250.0							
TOTAL OPERATING	15,000.0	0.0	1,531.0	1,217.5	1,207.5	763.9	763.9	

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1061	CIP Rcpts (Other)	15,000.0	1,531.0	1,217.5	1,207.5	763.9	763.9	
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		15,000.0	0.0	1,531.0	1,217.5	1,207.5	763.9	763.9

POSITIONS							
Full-time	10		5	3	3	2	2
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 465,000.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Stacy Schubert, Director Governmental Relations & Public Affairs
 Division Alaska Housing Finance Corporation
 Approved by Dan Fauske, Alaska Housing Finance Corporation
Department of Revenue

Phone 907-301-4556
 Date/Time 4/2/12 8:05 PM
 Date 4/2/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 336 (ENE)

Analysis

This bill requires Alaska Housing Finance Corporation (AHFC) to issue an energy voucher to each adult eligible for the permanent fund dividend in 2012. The energy voucher would be redeemable for 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. The voucher would be redeemable with a qualified energy distributor.

AHFC would be required to specify a date in 2012 for which each qualified distributor shall submit its retail prices for the fuel or energy source, and to issue payment for the published price of fuel on a certain date to a qualified distributor upon receipt of a voucher.

The energy distributor would credit the full amount to the recipient's account upon receipt of payment by AHFC. The energy voucher must be issued to eligible recipients not more than 30 days following the issuance of 2012 permanent fund dividend, and is valid for four months from date of issuance. The voucher is nontransferable except under specific circumstances including:

By a tenant to a landlord for rent deduction if the tenant does not pay directly for energy use or is unable to access an eligible distributor;

By an individual who is unable to access an eligible distributor. The individual may receive a check for \$250 from AHFC; or

If the voucher recipient dies before the voucher is issued or redeemed, it may be transferred to a personal representative or successor.

AHFC would be required to work closely with Department of Revenue (PFD division) to access qualified recipient information to develop and implement the voucher program with appropriate controls.

Section 2 of this bill directs the Office of the Governor to provide a report to the legislature before October 1, 2012 that analyzes and recommends an energy assistance program to be implemented in the fiscal year ending June 30, 2014.

Fund Amount:

In developing this fiscal note, there is an assumption that capital funds will be appropriated. A complete and accurate fiscal impact will be dependent on a number of factors which are presently unknown and include:

The date specified and agreed on by AHFC of the reimbursable price for the energy provided in each community; and

The number of participating distributors, number of Alaskans eligible to receive the voucher, and number of vouchers reimbursed for a negotiated rent reduction or a \$250 check.

Given the above-mentioned uncertainty, AHFC estimates cost impact of this bill will range from \$328,325,753 to \$465,000,000.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 336 (ENE)

Analysis Continued

Administrative Costs:

AHFC recognizes that it will not be possible to ramp up staff capacity to achieve the objectives described in the bill within the time constraints established in the bill. Therefore, AHFC intends to contract the majority of the work to obtain services, including, but not limited to:

Establish dedicated program database for tracking, administration and management of voucher recipients and distributors;

Create and establish dedicated website with online claim filing capabilities;

Establish and maintain toll-free telephone number at call center for customer support;

Develop and implement an outreach program, including possible grassroots campaign to reach Alaska residents;

Provide direct mail notice to Alaska residents and potentially qualified distributors regarding the program;

Receive and process distributor requests for qualification;

Establish procedures to qualify distributors for participation in the program;

Maintain list of qualified distributors;

Receive and process distributor claims for reimbursement;

Create and issue personalized, nontransferable uniquely numbered vouchers to Alaska residents;

Issue reimbursement checks to distributors who submit valid claims for reimbursement;

Track voucher redemption;

Handle replacement voucher requests, as needed;

Process claims for a \$250 check in lieu of the voucher and determine eligibility, as required;

Issue \$250, as needed, to eligible recipients, as required ;

Create and issue 1099's for recipients, as required.

Receive and process administrative mail from distributors and/or Alaska residents;

Providing reporting of status of the administrative activities; and

Maintain a record of all program contacts and responses thereto.

Based on the list of services above, AHFC anticipates the cost of services at \$15 million in FY13.

This fiscal note is based on the bill language that establishes the "voucher program" as a one year program. Given the scope and nature of utilization of contract services, extensive ramp-up will be required. Some elements for appeal processes extend up to six years, and there will be costs for the ramp down and dismantling of the program.

This estimate is based upon the possible requirements of AHFC as established in the bill. AHFC staff will be required to manage the necessary contract(s). Additional staff and expenses include administration, information systems, human resources, audit, and accounting support, computers and office space and systems, communications and travel.

Furthermore, as one of the state's largest landlords, AHFC's public housing division will be required to respond to tenant inquiries as it relates to the negotiation allowed under Section 1 (g) of the bill.

Total estimated operating costs for FY13 are \$15 million. This amount is listed as CIP Receipts as it will come from the capital appropriation.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB336
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB336-DOA-OAH-3-8-12 Dept. Affected Administration
 Title Energy Assistance Program & Vouchers Appropriation Centralized Administrative Services
 Allocation Office of Administrative Hearings
 Sponsor Representative Thompson
 Requester House Special Committee on Energy OMB Component Number 2771

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13					
Personal Services	113.6						
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	113.6	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1007	I/A Rcpts (Other)	113.6					
TOTAL		113.6	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Terry L. Thurbon, Chief Administrative Law Judge
 Division Office of Administrative Hearings
 Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 465-1886
 Date/Time 03/08/2012 1:34 p.m.
 Date 3/8/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB336

Analysis

This bill provides for issuance of energy vouchers to adults eligible for the 2012 Permanent Fund Dividend (PFD), and for the vouchers to be redeemed with qualified distributors of heating oil, natural gas and electricity. Applicants determined to be ineligible for the PFD are entitled to a formal hearing conducted by the office of administrative hearings. The department of revenue, PFD division, estimates an increase of 100 formal appeals. The bill contemplates that those would be concluded within 12 months after filing.

Under the bill, distributors determined not to be qualified also would be entitled to an administrative hearing. The department of revenue could, but is not required to, ask the office of administrative hearings to conduct the distributor appeal hearings as voluntary referrals pursuant to AS 44.64.030(b). The number of distributor appeals that would reach the formal appeal level and be heard by the office of administrative hearings could be quite small, or even non-existent if the department of revenue elected not to refer them to the office.

The bill also provides that the energy voucher not be considered income for financial needs-based assistance programs, unless so required by federal law. If disputes arise between assistance claimants and assistance program managers in the department of health and social services about whether the energy voucher is required by federal law to be treated as income, this could affect the complexity of some cases, or possibly lead to an unquantifiable increase in cases, reaching the formal hearing stage before the office of administrative hearings.

OAH does not anticipate that the resulting one-time, limited duration spike in caseload would increase the office's caseload beyond OAH's capacity to handle the additional cases at approved staffing levels that will be in place as of the July 1, 2012 effective date of Executive Order 116. OAH might need to act sooner than planned to fill an existing vacancy, or if the crush of time-sensitive PFD eligibility appeals so dictated, might need to bring on board a temporary ALJ to handle some of the cases. The cost to OAH of performing the services would be recovered from the affected departments through interagency receipts, based on the time commitment required for hearings and mediations. The \$113.6 figure corresponds to the department of revenue's estimate, based on 2008 Resource Rebate experience, of the increase in interagency receipts it would have to pay from the permanent fund to OAH for the anticipated increase of 100 cases. Whether OAH would in fact need to increase expenditures or need increased interagency receipts authority in that amount depends on unpredictable caseload dynamics.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 336
 Fiscal Note Number 1
 () Publish Date _____

Identifier (file name) HB336-DOR-PFD-03-02-12 Dept. Affected Revenue
 Title Energy Assistance Program & Voucher Appropriation Tax & Treasury
 Allocation Permanent Fund Dividend
 Sponsor Representative Thompson
 Requester Energy Committee OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	72.9						
Travel							
Services	213.6						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	286.5	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)	286.5					
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		286.5	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary	2						

CHANGE IN REVENUES							
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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial note.

Prepared by Deborah M. Bitney
 Division Permanent Fund Dividend
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 465-4785
 Date/Time 3/2/12 4:02 PM
 Date 3/6/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 336

Analysis

PFD expects this fiscal note to change as more clarification and information is provided to the Department of Revenue.

The bill creates an energy benefit by means of a voucher for Adults who are determined eligible for the 2012 PFD. The bill proposes the energy benefit to be distributed no later than December 1, 2012. The bill also tasks the Governor with determining how to make the program permanent through the PFD Division.

PFD expects increased appeals of ineligible applicants because of the value of the benefit added to dividend eligibility, a situation similar to that of the 2008 Resource Rebate at which time the Informal Appeals unit received approximately 900 appeals by applicants who were ineligible as a matter of law. Additional appeals staff, Range 12 PFD Tech II is needed to render informal appeals decisions within the statutorily designated time frame of 180 days.

Additionally, approximately 100 Formal level appeals were heard by Administrative Law Judges with Office of Administrative Hearings in which the divisions decision the applicant was ineligible was upheld. OAH RSA expected in the amount of \$113.6.

As the value and benefit of the annual dividend program increases, so does the potential for fraud. \$100.K is requested to hire a firm that would assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.

This fiscal note is written assuming distribution of the energy vouchers will be handled by AHFC, per the sponsor statement and conversations with the bill sponsor.

FISCAL NOTE

STATE OF ALASKA cost # codes
 2012 LEGISLATIVE SESSION

Bill Version HB 336
 Fiscal Note Number 1
 Publish Date _____

Identifier (file name) HB336-DOR-TAX-03-02-12 Dept. Affected Revenue
 Title Energy Assistance Program & Vouchers Appropriation Taxation and Treasury
 Allocation Tax Division
 Sponsor Representatives Thompson, et al
 Requester House Energy OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	0.0	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		***	0.0	***	***	***	***

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Johanna Bales, Deputy Director
 Division Tax
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone (907) 269-6628
 Date/Time 3/2/2012 2:30 p.m.
 Date 3/2/2012 7:15 p.m.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 336

Analysis

The Department of Revenue expects this fiscal note to change as more clarification and information is provided to the Department.

Bill Language:

This bill would require the Department of Revenue to issue an energy voucher to each adult eligible for the permanent fund dividend in 2012. The energy voucher would be redeemable for 250 gallons of heating oil, the natural gas equivalent of 250 gallons of heating oil, or 1,500 kilowatt hours of electricity. The voucher would be redeemable with a qualified distributor through April 30, 2013 and can be used for heating oil, natural gas, or electricity delivered to a residence or business.

Revenues:

In calendar year 2011, approximately 490,000 adults were eligible for the permanent fund dividend. In calendar year 2010, the average cost of heating oil throughout Alaska was \$3.50 per gallon. We expect the current average cost is higher. The current average cost of a kilowatt hour of electricity in Alaska is approximately 15.5 cents. Based on the number of adults eligible for the voucher and the average cost of heating fuel and electricity, the Department expects this program will cost anywhere from \$115 million to \$430 million for the fiscal year 2013. Although this bill will not directly affect revenues received by the department, general fund monies in 2013 will decrease as a result of this bill.

Expenditures:

The Department of Revenue will be tasked with redeeming the vouchers submitted by qualified distributors. The bill language requires the department to redeem the voucher within 20 days of submittal. In addition, the department has 3 years to audit the redemption of a voucher to ensure that it was properly redeemed. It is unclear which division within the department will administer this program. However, the bill sponsor has indicated that the Alaska Housing Finance Corporation will have a role. The department expects that the administration of this bill could be as much as 10% of the amount distributed under the voucher system due to the responsibility it will have to mail, redeem and audit the vouchers. In addition, the department will have reporting responsibilities to the Internal Revenue Service. At this time, total expenditures are indeterminate.



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March 12, 2012

The Honorable Neil Foster, Co-Chair
House Energy Committee
Alaska Capitol, Room 434
Juneau, AK 99801-1182

The Honorable Lance Pruitt, Co-Chair
House Energy Committee
Alaska Capitol, Room 421
Juneau, AK 99801-1182

RE: HB 336 (Thompson)—Support

Dear Co-Chairs Foster and Pruitt:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Energy Committee to support HB 336, authored by Representative Steve Thompson and co-sponsored by your Committee colleague Representative Pete Peterson and Representatives Guttenberg, Herron, Edgmon, Miller, Gruenberg, Joule, Kerttula and you, Co-Chair Foster.

In Representative Thompson's sponsor statement he indicates this bill will provide **immediate energy relief** and create a program to help residents deal with high energy costs during the **transition to more-affordable energy supplies**.

A recent study report by Commonwealth North found that electricity, heating fuel and diesel fuel represent a very significant component of rural Alaskans' cash outlay, with the figure approaching or exceeding 40% of the household budget. When we talk to AARP members from the Interior, the first words we hear are about heating costs and whether they can remain in their Alaskan homes.

Older Alaskans are particularly vulnerable to increases in energy costs. Although they consume approximately the same amount of energy as younger people do, older Alaskans spend a greater proportion of their limited retirement income on home heating costs. Too often low-income and even moderate-income older Alaskans risk their health or comfort by choosing between cutting back on energy expenditures and reducing spending for other necessities.

Is HB 336 the answer to Alaska's high energy costs? No.

Will it help Alaskans pay their utility bills? Yes.

One of the most important recommendations of SB 203 is to have the Executive Branch evaluate options and make recommendations for an energy assistance plan for 2013 and after.

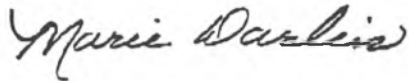
As the new Commonwealth North study report notes:
"Alaska needs a clear direction set by a state energy plan."

AARP recommends an "AYE" vote on HB 336.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Representative Bob Lynn
Representative Kurt Olson
Representative Dan Saddler
Representative Pete Peterson
Representative Chris Tuck
Representative Steve Thompson



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Representative Neal Foster
State Capitol Room 434
Juneau, AK, 99801

3/5/2012

RE: House Bill 336

Honorable Representative Foster:

Kawerak, Inc., is a regional Native non-profit, serving 20 Tribes in the Bering Strait. Kawerak supports HB 336 because it will provide needed heating assistance next winter, and will help the state move forward towards an assistance program that truly meets our needs.

This winter is particularly difficult. January 2012 was the coldest month on record. Heating degree days are 23% above average. At the same time fuel oil costs an average of \$6.33 / gallon across the Bering Strait region. Prices over \$7 are not uncommon.

Today, high energy costs, aggravated by low income and high unemployment, are increasing the burden in our already economically distressed communities. As energy prices rise, the amount of money available for household necessities dwindles, and the quality of life is suffering as a consequence. HB336 provides the security we need for the coming year.

Kawerak supports section two of HB336 because it moves us forward towards a program that better meets our needs. It directs the Governor's office to evaluate different ways to provide heating assistance, and to make recommendations to the legislature next session.

Honorable Representative Foster, Kawerak feels it is important to pass legislation issuing energy vouchers, and studying options for future energy assistance this session. This will help insure residents will have the energy they need next winter, and will put us on the course towards a program that meets Alaska's energy needs during years to come.

Melanie Bahnke, Executive Vice-President

BRISTOL BAY NATIVE ASSOCIATION

P.O. BOX 310
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

Friday, March 02, 2012

The Honorable Steve Thompson
Alaska House of Representatives
State Capitol Room 428
Juneau Alaska, 99801

RE: Letter of Support for House Bill 336, "Energy Voucher & Analysis of Energy Assistance Program"

Dear Mr. Thompson,

The Bristol Bay Native Association is writing to express support of House Bill 336, the creation of an energy voucher program, and analysis of energy assistance program.

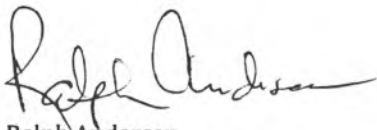
The high and volatile price of energy is a serious issue for families and businesses in the Bristol Bay region, and immediate relief is severely needed. The average price of heating fuel is around \$5.85 per gallon; and the average price of electricity, based on PCE reports, is around .5967 per kWh.

In general, we recognize the need for an energy assistance program with a focus on heating fuel: energy assistance is the only practical short-term solution to any energy plan set forth. We also recognize the importance of pursuing energy efficiency, conservation and alternative energy policies, programs and projects that help offset the need for fossil fuels.

We recognize House Bill 336 requests the executive branch to evaluate program options for energy assistance beyond the temporary voucher program. To that point, we respectfully recommend that rural entities such as regional non-profits be included in those discussions, analyses and recommendations to the fullest extent possible. We are very familiar with the immediate relief assistance provides to low-income families as the administrator of LIHEAP & AKHAP programs for the region. We would bring a extensive scope of knowledge, ideas and solutions to the table.

The Bristol Bay Native Association appreciates your concern with the high cost of energy, and supports your efforts in finding solutions for relief, until a transition to a more affordable energy supply is realized for all Alaskans.

Sincerely,



Ralph Andersen
President and Chief Executive Officer

Cc: Senator Gary Stevens
Senator Lyman Hoffman
Representative Bryce Edgmon
Representative Alan Austerman

Tribal Councils
Served by BBNA:

Aleknagik

Chignik Bay

Chignik Lagoon

Chignik Lake

Clarks Point

Curyung

Egegik

Ekuk

Ekwok

Igiugig

Iliamna

Ivanof Bay

Kanatak

King Salmon

Kokhanok

Koliganek

Levelock

Manokotak

Naknek

New Stuyahok

Newhalen

Nondalton

Pedro Bay

Perryville

Pilot Point

Port Heiden

Portage Creek

South Naknek

Togiak

Twin Hills

Ugashik

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

March 13, 2012

The Honorable Representative Neal Foster, Co- Chair
House Energy Committee
Alaska State Capitol, Room 434
Juneau, AK 99801-1182

The Honorable Lance Pruitt, Co-Chair
House Energy Committee
Alaska Capitol, Room 421
Juneau, AK 99801-1182

Subject: Support for HB 336, Energy Assistance Program & Vouchers

Dear Chair Foster and Chair Pruitt:

The Alaska Commission on Aging (ACoA) is pleased to offer our support of HB 336, a bill to establish an energy assistance program that would issue an energy voucher to all Alaskan Permanent Fund Dividend recipients. HB 336 is an interim measure to help Alaskans manage their high utility bills until more affordable energy supplies come on line. HB 336 also requires the Executive Branch to evaluate and make recommendations for a cost efficient and effective energy assistance program to be instituted by FY2014. This legislation is sponsored by Representative Thompson and co-sponsored by Representatives Guttenberg, Herron, Edgmon, Miller, Gruenberg, Petersen, Joule, Kerttula, and Foster.

The price of heating fuel is expensive but especially hard felt by Alaskans on a fixed income. As the price of heating fuel increases, older Alaskans spend more of their fixed incomes on heating their homes, especially Elders who live in rural and remote communities where energy costs are the highest. During the winter, seniors often spend much of their day at home. Older adults typically experience cooler body temperatures than younger people. Many live in older and sometimes drafty homes that are less energy efficient and poorly insulated. In order to save money, some seniors turn down their thermostats way low and may even resort to closing off rooms during the winter or more dangerous practices such as using their kitchen stoves for heat. They also cut back on food and prescription medication expenditures, measures that can compromise their health and quality of life.

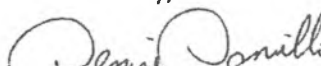
ACoA supports HB 336 and believes that this program will help all Alaskans with their heating bills, especially older Alaskans. Please feel free to contact Denise Daniello, ACoA's executive director, by phone (465-4879) or email (denise.daniello@alaska.gov) should you have questions or require additional information.

Sincerely,



Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Representative Lynn
Representative Olson

Representative Saddler
Representative Peterson

Representative Tuck
Representative Thompson

HB 336 Written Testimony
Andria Agli, Shareholder & Corporate Relations Manager
Bristol Bay Native Corporation
March 27, 2012

Mr. Chairman, for the record, my name is Andria Agli. I am a shareholder of Bristol Bay Native Corporation (BBNC) and the manager for shareholder and corporate relations for BBNC. Thank you for inviting BBNC to testify in support of HB 336 today. We support this bi-partisan legislation.

I grew up in the village of South Naknek on the Alaska Peninsula and return every summer to commercial and subsistence fish. I have family that still live and work there year round. The high cost of heating fuel and electricity is a challenge that all Alaskans have to deal with. However, the problem is greater for residents of rural Alaska. Currently, the cost of heating fuel in South Naknek is \$ 5.25 per gallon. The cost of electricity is more than \$.50 per kWh. These prices hit everyone hard. Legislative efforts to provide financial relief for these high prices are necessary and certainly have BBNC's support.

BBNC is an economic cornerstone of the Bristol Bay region and it takes the responsibilities that come with that position very seriously. BBNC has more

than 9,000 shareholders and since 1978, BBNC has paid more than \$100 million in dividends to its shareholders. In 2012 alone, BBNC will distribute another \$13 million. BBNC has established an education foundation that provides scholarships for higher education and vocational training, created internships and employment opportunities; established an Elder benefit program, and advocated on behalf of the economic, cultural and subsistence rights of our shareholders. BBNC continues this work today to ensure our corporate mission of “Enriching our Native way of life.”

BBNC is pursuing new responsible economic and investment opportunities in the Bristol Bay region that will help better the lives of our shareholders and regional residents. BBNC supports renewable energy programs and both renewable and non-renewable resource development that responsibly allows for shareholders to sustain their way of life.

Our Board recently directed the corporation to invest \$30 million over the next 5 years within the region. Our shareholders have told us they need help with the high cost of heating fuel and electricity. BBNC’s investment efforts will identify and evaluate projects that could help provide some

energy cost relief. BBNC supports the legislature's efforts to do the same with this legislation.

High energy costs represent the greatest challenge to the economic success of villages in the Bristol Bay region, where average families pay more for their home energy bills than they do for rent or mortgage payments. It is for this reason that BBNC advocates for energy programs that provide current and long-term solutions to this growing crisis.

HB 336 is a very good complement to BBNC's strategy to invest in the Bristol Bay region, and has BBNC's full support. This will not change the price of heating oil or electricity in the short-term; however, it will provide some relief to rural residents.

Section 1 of the bill will provide an energy voucher to every adult PFD recipient. For many households this will provide immediate energy relief. For households that include extended families with multiple adults living under the same roof, the total voucher amount received by this legislation will be significantly greater. While this is not a permanent fix, it will help the current economic hardships felt in our rural communities.

Section 2 of the legislation is also helpful because it will prompt ideas for longer-term assistance strategies for dealing with the recurring problem of high energy costs. BBNC applauds the legislature's efforts to get such strategies on the table as long-term energy solutions are needed statewide.

In closing, BBNC supports HB 336 because it will provide short-term energy assistance to those who are impacted the most and provide a mechanism to consider more permanent energy solutions to this ongoing crisis. Both are needed to bring energy costs to an affordable level to the benefit of all Alaskans.

Thank you for the Committee's time this afternoon. I would be happy to answer any questions the Committee may have.