



131st MAINE LEGISLATURE

LD 3

LR 601(06)

An Act to Establish the Winter Energy Relief Payment Program to Aid Residents with High Heating Costs and to Finalize the COVID Pandemic Relief Payment Program

Fiscal Note for Senate Amendment " " to Original Bill

Sponsor: Sen. Brakey of Androscoggin

Fiscal Note Required: Yes

Fiscal Note

	FY 2022-23	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)					
General Fund	(\$8,365,000)	\$42,750	\$293,550	\$350,550	\$407,550
Appropriations/Allocations					
General Fund	\$35,000	\$0	\$0	\$0	\$0
Other Special Revenue Funds	(\$8,400,000)	\$0	\$0	\$0	\$0
Revenue					
General Fund	\$0	(\$42,750)	(\$293,550)	(\$350,550)	(\$407,550)
Other Special Revenue Funds	\$0	(\$2,250)	(\$15,450)	(\$18,450)	(\$21,450)
Transfers					
General Fund	\$8,400,000	\$0	\$0	\$0	\$0
Other Special Revenue Funds	(\$8,400,000)	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

The amounts above reflect the incremental change from the original bill.

This amendment shortens the timeframe that funds are available for emergency housing needs from 5 months to 3 months and reduces the transfer from the General Fund unappropriated surplus to the Emergency Housing Relief Fund Program within the Maine State Housing Authority by \$8,400,000 from \$21,000,000 to \$12,600,000. The allocation is also reduced by \$8,400,000.

The amendment changes the distribution of heating assistance from checks to fuel vouchers and changes the name of the program to the Winter Energy Relief Fuel Voucher Program. The amount of allocation and the transfer from the General Fund remain at \$398,000,000. The amendment lowers the income eligibility limits for individuals to qualify for assistance. The cost of the vouchers is anticipated to be approximately \$288,488,200. The costs to design and implement a voucher system, including internal controls and verification, are expected to be significant and implementation by Maine Revenue Services in a short period of time may be difficult. As in the original bill, any balance remaining at the end of fiscal year 2023-24 will be transferred to the unappropriated surplus of the General Fund.

The amendment also creates an income tax deduction of up to \$2,500 per individual, or \$5,000 per married couple, for contributions made into Home Energy Savings Accounts. It is estimated that this may result in revenue reductions of \$42,750 in fiscal year 2023-24 to the General Fund and \$2,250 to the Local Government Fund and reductions of \$293,550 in fiscal year 2024-25 to the General Fund and \$15,450 to the Local Government Fund. A General Fund appropriation to the Department of Administrative and Financial Services of \$35,000 is included in fiscal year 2022-23 for computer programming costs to update individual income tax forms.

The Finance Authority of Maine (FAME) anticipates that it will incur significant ongoing costs, including personnel, programming, marketing and rulemaking costs, to establish and administer the Home Energy Savings Account Program beginning in fiscal year 2022-23. Additionally, given the amount of time required to conduct rulemaking, hire and train personnel, engage financial institutions and implement an interface system with participating financial institutions, the ability of FAME to implement the program to be available during the 2022-2023 heating season is unlikely.