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Date: (Filing No. H- )

**ENERGY, UTILITIES AND TECHNOLOGY**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 892, L.D. 1231, Bill, “An Act To Fund Energy Efficiency Programs through a Fee on the Sale of Unregulated Heating Fuels”

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 35-A MRSA §10119, sub-§1, ¶A**, as enacted by PL 2009, c. 372, Pt. B, §3, is amended to read:

A. Any funds collected from an assessment on heating fuels, including the heating fuel fee imposed under Title 36, chapter 723;

**Sec. 2. 36 MRSA §1760, sub-§9**, as amended by PL 2015, c. 300, Pt. A, §14, is further amended to read:

**9. Coal, oil and wood.** Coal, oil, wood and all other fuels, except gas and electricity and except as provided in section 4951, when bought for cooking and heating in buildings designed and used for both human habitation and sleeping. The sale of kerosene or home heating oil that is prepackaged or dispensed from a tank for retail sale in a container with a capacity of 5 gallons or less, or the sale of any amount of wood pellets or any 100% compressed wood product intended for use in a wood stove or fireplace, or of any amount of firewood, is presumed to meet the requirements of this subsection when the product is received by the purchaser at the retail location.

**Sec. 3. 36 MRSA c. 723** is enacted to read:

**CHAPTER 723**

**HEATING FUEL FEE**

**§4951. Imposition of fee**

Notwithstanding any provision of law to the contrary, a fee is imposed on the wholesale sale in the State of heating oil, propane, coal and kerosene in the amount of 1% of the wholesale sale price.

1 **§4952. Administration**

2 The fee imposed by this chapter is administered as provided in chapter 7 and Part 3,  
 3 with the fee imposed pursuant to this chapter to be considered as imposed under Part 3.

4 The revenue derived from the fee imposed by this chapter must be allocated as  
 5 follows:

6 **1. Low-income home energy assistance.** Twenty percent to the Maine State  
 7 Housing Authority to assist eligible low-income households with heating costs under the  
 8 fuel assistance program administered by the authority pursuant to Title 30-A, section  
 9 4991; and

10 **2. Heating fuels efficiency and weatherization.** Eighty percent to the Efficiency  
 11 Maine Trust for deposit in the Heating Fuels Efficiency and Weatherization Fund  
 12 established in Title 35-A, section 10119. The administrative costs as certified by the  
 13 bureau of the fee must be reimbursed from the Heating Fuels Efficiency and  
 14 Weatherization Fund.

15 **§4953. Effective date**

16 This chapter takes effect July 1, 2020.

17 **Sec. 4. Appropriations and allocations.** The following appropriations and  
 18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

20 **Revenue Services, Bureau of 0002**

21 Initiative: Provides one-time funding for computer programming to update the sales tax  
 22 return.

|    |                           |                 |                |
|----|---------------------------|-----------------|----------------|
| 23 | <b>GENERAL FUND</b>       | <b>2019-20</b>  | <b>2020-21</b> |
| 24 | All Other                 | \$26,000        | \$0            |
| 25 |                           |                 |                |
| 26 | <b>GENERAL FUND TOTAL</b> | <u>\$26,000</u> | <u>\$0</u>     |

|    |                                     |                        |                   |
|----|-------------------------------------|------------------------|-------------------|
| 27 | <b>ADMINISTRATIVE AND FINANCIAL</b> |                        |                   |
| 28 | <b>SERVICES, DEPARTMENT OF</b>      |                        |                   |
| 29 | <b>DEPARTMENT TOTALS</b>            | <b>2019-20</b>         | <b>2020-21</b>    |
| 30 |                                     |                        |                   |
| 31 | <b>GENERAL FUND</b>                 | <b>\$26,000</b>        | <b>\$0</b>        |
| 32 |                                     |                        |                   |
| 33 | <b>DEPARTMENT TOTAL - ALL FUNDS</b> | <u><b>\$26,000</b></u> | <u><b>\$0</b></u> |

34 **HOUSING AUTHORITY, MAINE STATE**

35 **Low-income Home Energy Assistance - MSHA 0708**

36 Initiative: Allocates ongoing funds to assist low-income households with heating costs.

|   |  |                |                    |
|---|--|----------------|--------------------|
| 1 | <b>OTHER SPECIAL REVENUE FUNDS</b>       | <b>2019-20</b> | <b>2020-21</b>     |
| 2 | All Other                                | \$0            | \$1,680,000        |
| 3 |  |                |                    |
| 4 | <b>OTHER SPECIAL REVENUE FUNDS TOTAL</b> | <u>\$0</u>     | <u>\$1,680,000</u> |

|    |                                       |                |                    |
|----|---------------------------------------|----------------|--------------------|
| 5  | <b>HOUSING AUTHORITY, MAINE STATE</b> |                |                    |
| 6  | <b>DEPARTMENT TOTALS</b>              | <b>2019-20</b> | <b>2020-21</b>     |
| 7  |                                       |                |                    |
| 8  | <b>OTHER SPECIAL REVENUE FUNDS</b>    | <b>\$0</b>     | <b>\$1,680,000</b> |
| 9  |                                       |                |                    |
| 10 | <b>DEPARTMENT TOTAL - ALL FUNDS</b>   | <u>\$0</u>     | <u>\$1,680,000</u> |

|    |                                    |                 |                    |
|----|------------------------------------|-----------------|--------------------|
| 11 | <b>SECTION TOTALS</b>              | <b>2019-20</b>  | <b>2020-21</b>     |
| 12 |                                    |                 |                    |
| 13 | <b>GENERAL FUND</b>                | <b>\$26,000</b> | <b>\$0</b>         |
| 14 | <b>OTHER SPECIAL REVENUE FUNDS</b> | <b>\$0</b>      | <b>\$1,680,000</b> |
| 15 |                                    |                 |                    |
| 16 | <b>SECTION TOTAL - ALL FUNDS</b>   | <u>\$26,000</u> | <u>\$1,680,000</u> |
| 17 |                                    |                 |                    |

**SUMMARY**

The amendment makes the following changes to the bill. It:

1. Adds language to clarify that the fee imposed by the bill is an exception to the tax exemption for heating fuels provided under the State sales and use tax law;
2. Removes dyed diesel fuel from the list of fuels subject to the fee;
3. Removes language that would have required a wholesaler to know the fuel at wholesale sale is intended for residential or commercial heating purposes; and
4. Requires 20% of the revenue from the fee to go to the Maine State Housing Authority to assist eligible low-income households with heating costs under the fuel assistance program administered by the authority and 80% to go to the Efficiency Maine Trust for the Heating Fuel Efficiency and Weatherization Fund. In the bill 100% of the revenue is dedicated to the Efficiency Maine Trust.

**FISCAL NOTE REQUIRED**

**(See attached)**