

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 2311 Session of  
1993

INTRODUCED BY RICHARDSON, DALEY, BELFANTI, J. TAYLOR,  
CAPPABIANCA, ROEBUCK, FEE, GEORGE, HALUSKA, CARN, MARKOSEK,  
FREEMAN, VAN HORNE, ACOSTA, BISHOP, BUNT, LESCOVITZ, MELIO,  
MERRY, PRESTON, GIGLIOTTI, HERMAN, JOSEPHS, STEELMAN, TRICH,  
STABACK, LEVDANSKY, JAMES, TRELLO, LAUGHLIN, HUGHES,  
KUKOVICH, MICHLOVIC, THOMAS, ROBINSON, WILLIAMS, PISTELLA AND  
BROWN, NOVEMBER 24, 1993

AS REPORTED FROM COMMITTEE ON HEALTH AND WELFARE, HOUSE OF  
REPRESENTATIVES, AS AMENDED, DECEMBER 14, 1993

## AN ACT

1 Establishing a separate office in the Department of Public  
2 Welfare to administer the cash and crisis components of the  
3 Low-Income Home Energy Assistance Program; and providing for  
4 the funding of that program from ~~certain public utility gross~~ <—  
5 ~~receipts tax revenues~~ THE EMERGENCY TAX ON LIQUOR. <—

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Low-Income  
10 Home Energy Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall  
13 have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Council." The Low-Income Energy Assistance Advisory  
16 Council.

1 "Department." The Department of Public Welfare of the  
2 Commonwealth.

3 "Federal program" or "LIHEAP." The Federal Low-Income Home  
4 Energy Assistance Program.

5 "Secretary." The Secretary of Public Welfare of the  
6 Commonwealth.

7 "State program." The State Low-Income Home Energy Assistance  
8 Program.

9 Section 3. Legislative findings.

10 The General Assembly finds and declares as follows:

11 (1) Home heating and energy service are a necessary part  
12 of shelter, and the lack of home heating poses a threat to  
13 life, health and safety.

14 (2) Low-income households should be protected from the  
15 disproportionately adverse effects on their income resulting  
16 from increasing energy prices.

17 (3) Sound public policy dictates that assisting low-  
18 income households in meeting their energy needs must include  
19 a component to make energy more affordable by permanently  
20 reducing energy costs through weatherization.

21 (4) It is the responsibility of the Commonwealth to  
22 assist low-income households in meeting and reducing their  
23 home energy needs.

24 (5) The Commonwealth recognizes that Oil Overcharge  
25 Funds are a temporary and inadequate method of supplementing  
26 the Federal program.

27 (6) The State program can operate effectively only with  
28 a commitment of State dollars and resources to go along with  
29 the Federal dollars.

30 (7) The State program is not an income maintenance

1 program and should not be administered as such.

2 (8) The State program is of such importance to the low-  
3 income households of this Commonwealth that it should be  
4 administered by an office dedicated exclusively to that  
5 purpose operated on a year-round basis.

6 Section 4. Office of Low-Income Home Energy Assistance.

7 (a) Establishment.--There is hereby established within the  
8 department the Office of Low-Income Home Energy Assistance. This  
9 office shall be separate and apart from offices performing other  
10 functions, and its sole function shall be the administration of  
11 the energy assistance components of the State program. All funds  
12 appropriated to the department for low-income home energy  
13 assistance from Federal, State or other sources shall be  
14 coordinated and expended through the program administered by the  
15 Office of Low-Income Home Energy Assistance.

16 (b) Weatherization.--The weatherization component of the  
17 State program shall be administered separately by the Department  
18 of Community Affairs.

19 Section 5. Low-Income Energy Assistance Advisory Council.

20 The Low-Income Energy Assistance Advisory Council is hereby  
21 created to advise the department on matters of policy relating  
22 to the development and implementation of this program. Its  
23 members shall be appointed by the secretary to serve such term  
24 as he deems necessary.

25 Section 6. Operation of program.

26 (a) General rule.--The State program shall be in operation  
27 for 12 months of the year. A quarterly evaluation of the program  
28 shall be conducted the last day of each fiscal quarter, and  
29 benefits may be adjusted quarterly in response to the  
30 evaluation. The council shall submit the evaluation results to

1 the General Assembly annually in the form of a report.

2 (b) Staff.--The department shall be responsible for assuring  
3 that the departmental office and local offices have sufficient  
4 trained staff to adequately administer the program.

5 (c) Outreach.--Outreach programs at the State and county  
6 level shall be provided.

7 (d) State plan.--The State program shall be administered in  
8 a manner consistent with the State plan submitted to the Federal  
9 Government.

10 (e) Cooperation with other agencies.--The department shall  
11 cooperate with other State agencies and with the Federal  
12 Government in the administration of this program.

13 (f) Rules and regulations.--The department shall, in the  
14 manner provided by law, promulgate the rules and regulations  
15 necessary to carry out the energy assistance components of the  
16 State program.

17 Section 7. Heating Energy Assistance Fund.

18 (a) Deposit of certain revenues.--During fiscal year 1993-  
19 1994 and in each fiscal year thereafter, the Secretary of

20 Revenue shall, ~~from funds raised by the tax imposed by Article~~ <—  
21 ~~XI of the act of March 4, 1971 (P.L.6, No.2), known as the Tax~~  
22 ~~Reform Code of 1971, during that fiscal year, deposit in a~~

23 TRANSFER 4% OF THE MONEYS RAISED UNDER THE ACT OF JUNE 9, 1936 <—

24 (SP. SESS., P.L.13, NO.4), ENTITLED "AN ACT IMPOSING AN

25 EMERGENCY STATE TAX ON LIQUOR, AS HEREIN DEFINED, SOLD BY THE

26 PENNSYLVANIA LIQUOR CONTROL BOARD; PROVIDING FOR THE COLLECTION

27 AND PAYMENT OF SUCH TAX; AND IMPOSING DUTIES UPON THE DEPARTMENT

28 OF REVENUE AND THE PENNSYLVANIA LIQUOR CONTROL BOARD," TO A

29 special fund, to be known as the Heating Energy Assistance Fund. <—

30 ~~, an amount as specified in subsections (b) and (c).~~ These funds <—

1 shall be appropriated only for low-income energy assistance and  
2 weatherization programs as described in this act. All remaining  
3 funds raised by this tax shall be deposited in the General Fund  
4 IN THE MANNER PROVIDED BY LAW. <—

5 ~~(b) Distributed amounts. The amount of money deposited in~~ <—  
6 ~~the fund each fiscal year for distribution during that year~~  
7 ~~shall be equal to a designated amount less any Federal program~~  
8 ~~(LIHEAP) funding appropriated to the Commonwealth during that~~  
9 ~~prior Federal fiscal year. In fiscal year 1993-1994 the~~  
10 ~~designated amount shall equal \$135,000,000. In each subsequent~~  
11 ~~year the designated amount shall equal \$135,000,000 escalated on~~  
12 ~~a compounded annual basis by the Consumer Price Index as~~  
13 ~~published in the Pennsylvania Bulletin by the Department of~~  
14 ~~Commerce for the previous calendar year.~~

15 ~~(c) Deposit. In addition to the funding in subsection (b),~~  
16 ~~in fiscal year 1993-1994 a one time deposit shall be made in the~~  
17 ~~amount of \$7,500,000 to be used as matching funds for Federal~~  
18 ~~Title IV A (aid to families with dependent children), or other~~  
19 ~~Federal energy assistance matching funds. The funding shall be~~  
20 ~~maintained in escrow in an interest bearing account. Interest~~  
21 ~~earned on the account shall be first used to attract additional~~  
22 ~~Federal matching funds if available. If no additional Federal~~  
23 ~~matching funds are available, all interest will be distributed~~  
24 ~~yearly for energy assistance along with the fund distribution in~~  
25 ~~subsection (d).~~

26 ~~(d) (B) Administration.--The department shall administer the~~ <—  
27 ~~fund created in subsection (a), LIHEAP funds and any other funds~~  
28 ~~made available by and received from the Federal Government or~~  
29 ~~the Commonwealth for low-income heating assistance. The~~  
30 ~~following criteria shall apply to the administration of funds~~

1 managed by the department:

2       ~~(1) Escrow interest as designated by the secretary,~~ <—  
3       ~~LIHEAP and the Pennsylvania Heating Energy Assistance Fund~~  
4       ~~shall be distributed annually as one coordinated funding~~  
5       ~~source.~~

6       ~~(2)~~ (1) Funds distributed on behalf of recipients shall <—  
7       be paid directly to the recipient's heating vendor.

8       ~~(3)~~ (2) Funds may be allocated annually to <—  
9       weatherization at the discretion of the secretary but shall  
10      not exceed 15% of the annual fund distribution in subsection  
11      (b).

12      ~~(4)~~ (3) Funds are to be distributed on a year-round <—  
13      basis, beginning July 1 through June 30.

14 Section 8. Effective date.

15      This act shall take effect in 60 days.