SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE

BILL NO. Senate Bill 1307

printer NO. 1929

AMOUNT

See Fiscal Impact

FUND

COVID-19 Response Restricted Account

DATE INTRODUCED

September 8, 2020

PRIME SPONSOR

Senator Killion

DESCRIPTION

Senate Bill 1307 allocates funds from the COVID-19 Response Restricted Account to assist residential and small business customers with utility payments.

Delinquent Water and Wastewater Utility Payments

Senate Bill 1307 distributes funds to the Pennsylvania Infrastructure Investment Authority (PennVEST) to assist individual and small businesses with delinquent water and wastewater payments.

Within 15 days of the passage of this legislation, each water and wastewater provider must provide PennVEST with the number of and total arrearages for residential customers in their service territory for the period of April 1, 2020-July 31, 2020.

Within 30 days, each water and wastewater provider must submit to PennVEST a plan detailing the distribution of funds to residential customers. If any funds remain, the funds will be used for small business customers.

Each water or wastewater provider must report within three months of receipt of the money to PennVEST how the money was allocated, how many customers were assisted, how much assistance was received, any remaining arrearages and any new arrearages since the assistance was provided. Following the compilation of this report, PennVEST must post it on its publicly assessible website.

Low-Income Energy Assistance Residential Utility Payment Program

To provide security to residential utility customers, Senate Bill 1307 allocates funds through the Low-Income Energy Assistance Program (LIHEAP) which is administered by the Department of Human Services (DHS). Senate Bill 1307 requires DHS to do the following:

- Extend the enrollment period of applications until all funds allocated in Senate Bill 1307 are expended;
- Amend crisis grant requirements to accept past-due utility bills as evidence of a crisis;
- Allow a public utility to establish flexible verification procedures;
Permit applicants to calculate their income based on recent changes to income or unemployment; and

Establish a temporary program for crisis grant assistance for households with annual income at or below 200% of federal poverty guidelines.

DHS must include these distributions in the annual LIHEAP report developed by the department.

**Small Business Utility Assistance Program**

Senate Bill 1307 establishes a temporary grant program to be administered by the Pennsylvania Public Utility Commission (PUC) to provide small business assistance grants to be used for the payment of utility expenses.

Within 15 days of the passage of this legislation, each public utility must submit to the PUC, the number of and total arrearages for qualifying small business customers in their service area during the period of April 1, 2020-July 31, 2020.

Within 30 days, each public utility must submit a plan to the PUC detailing the distribution of funds to qualifying small businesses. Once approved the public utility may distribute the grant funding.

Public utilities must report to the PUC within three months of receipt of the funds, how the money was allocated how many businesses were assisted, how much assistance was received, any remaining arrearages and any new arrearages since the assistance was provided. Following the compilation of this report, the PUC must post it on its publicly assessible website.

This act shall take effect immediately.

**FISCAL IMPACT:**

Senate Bill 1307 provides for the distribution of $150 million appropriated from the COVID-19 Response Restricted Account in the following manner:

- **Delinquent Water and Wastewater Utility Payments** - $25 million shall be distributed to PennVEST to assist individual and small businesses with payment of delinquent water and wastewater utility payments. The funds will be distributed on a pro rata basis to each water or wastewater provider.

- **Low-Income Energy Assistance Residential Utility Payment Program** - $100 million distributed by DHS through LIHEAP to provide aid to residential customers.

- **Small Business Utility Assistance Grants** - $25 million to be allocated to public utilities to provide small business assistance grants to qualifying small businesses for utility expenses. The funds will be distributed on a pro rata basis to each public utility.

All federal funding provided through Senate Bill 1307 is a one-time payment for costs related to the COVID-19 outbreak.