

Legislative Analysis



DHS TO MAKE DIRECT ELECTRONIC PAYMENTS & SHARE INFORMATION WITH HEATING UTILITIES

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House Bill 4649

Sponsor: Rep. Kenneth Horn

House Bill 4650

Sponsor: Rep. Dudley Spade

Committee: Energy and Technology

Complete to 3-24-09

A SUMMARY OF HOUSE BILLS 4649 & 4650 AS INTRODUCED 3-19-09

The bills would amend the Michigan Low Income Heating Assistance and Shut-off Protection Act in the following ways:

Section 7 of this act currently requires the Department of Human Services (DHS) to make available to *public utilities regulated by the Public Service Commission* information about applicants for, and recipients of, public assistance, subject to state and federal laws and rules on confidentiality. Such information must only be disclosed if necessary and must only be used by the regulated utility to administer a program created by statute or PSC order that is intended to assist applicants for, or recipients of, public assistance in defraying their energy costs.

House Bill 4649 would likewise require the DHS to make available information regarding applicants for, or recipients of, public assistance, subject to state and federal rules and rules regarding the disclosure of confidential information, and notwithstanding provisions of the Social Welfare Act. However, instead of making this information available only to *public utilities regulated by the Public Service Commission*, the bill would require DHS to make this information available to "*a provider utility*." The information could only be disclosed as necessary and would have to be used by "*an energy provider*" to administer a program created by statute or PSC order that is intended to assist applicants for, or recipients of, public assistance in defraying their energy costs. (MCL 400.1207)

House Bill 4650 would add a new Section 7a to require DHS to operate an electronic payment process with participating "*provider utilities*" no later than April 1, 2010 or "at a time considered possible by the department" to pay the energy bills of low income customers subject to shutoff. To the extent considered appropriate, the department would enter into agreements with "*provider utilities*" in which the "*provider utility*" agrees to permit the DHS to make direct payments to the "*energy provider*" on behalf of an eligible recipient. The agreement would authorize the "*provider utility*" to provide customer information to DHS. DHS would determine eligible recipients, program requirements, benefit levels, and funding levels. (MCL 400.1207a)

Under current Section 5(3), "*provider utility*" means an investor-owned natural gas or electric utility company that provides residential heating utility service to an assisted household. For other energy providers, the maximum level of benefit provided to their customers will be the same regardless of the type of fuel used by the program participant." The bill does not change the current definition of "*provider utility*."

FISCAL IMPACT:

A fiscal analysis is in process.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.