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BILL ANALYSIS

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House Bill 4650 (Substitute H-1 as passed by the House)
Sponsor: Representative Dudley Spade
House Committee: Energy and Technology
Senate Committee: Energy Policy and Public Utilities

Date Completed: 4-2-09

CONTENT

The bill would amend the Michigan Low Income Heating Assistance and Shut-Off Protection Act to require the Department of Human Services (DHS) to operate an electronic payment process with participating energy providers to provide for the payment of low income customer energy bills that were subject to shut-off. The DHS would have to operate this process by April 1, 2010, or at a time the Department considered possible.

Also, as the DHS considered appropriate, it would have to enter into agreements with energy providers in which they agreed to permit the Department to make direct payments to them on behalf of eligible recipients. An agreement would have to authorize the provider to give customer information to the DHS.

The DHS would have to determine the eligible recipients, program requirements, benefit levels, and funding levels.

Proposed MCL 400.1207a

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The State of Michigan assumes a base Federal grant through the Low Income Home Energy Assistance Program (LIHEAP) of about \$116.5 million. This grant is used for the Michigan home heating credit, weatherization assistance, and emergency shut-off prevention for low income residents. The bill would permit the Department of Human Services to create an electronic payment process with energy providers for emergency shut-off prevention payments through LIHEAP. Since LIHEAP is a capped program funded through Federal grants, there would not be a GF/GP impact associated with the operation of this program. The Department could incur some increased cost associated with information technology changes to facilitate automatic payments to energy providers.

Fiscal Analyst: David Fosdick

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