

Legislative Analysis



WEATHERIZATION FUNDING

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House Bill 4544

Sponsor: Rep. Dale W. Zorn

Committee: Appropriations

Complete to 1-29-14

A SUMMARY OF HOUSE BILL 4544 AS INTRODUCED 4-11-13

House Bill 4544 would amend Section 527a of the Income Tax Act of 1967 (MCL 206.527a) to require that, beginning Fiscal Year 2013-14 and thereafter, not less than 15% of the total federal Low-income Home Energy Assistance Program (LIHEAP) block grant be used for weatherization and that amount shall not be reduced by the amount used for weatherization from emergency contingency funds received in the immediately preceding year.

Current law prohibits the amount used for weatherization from LIHEAP funds to exceed \$9.0 million less the amount used for weatherization from the emergency contingency funds received in the immediately preceding year.

FISCAL IMPACT:

This bill should not have a fiscal impact on the state, and the fiscal impact on local units of governments is uncertain. The impact on local units of governments will depend on whether the local unit operates a municipally owned utility company, whether the regional Community Action Agency is administered through a local unit of government, and how the Department of Human Services (DHS) revises its current FY 2013-14 LIHEAP spending plan from 0% for weatherization to 15% for weatherization (an increase of an estimated \$24.7 million).

DHS allocates the federal LIHEAP block grant for four primary programs 1) the Home Heating Tax Credit, 2) State Emergency Relief – Energy Services, 3) Michigan Energy Assistance Program, and 4) Weatherization. Over the past 10 years DHS has allocated 6.5% to 0% of the annual LIHEAP block grant for weatherization. The FY 2013-14 state LIHEAP spending plan¹ does not allocate any LIHEAP funding for weatherization, so to comply with this bill, DHS would have to revise its LIHEAP spending plan. This revision would require reducing the amount of LIHEAP allocated to the other three LIHEAP-funded programs.

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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.

¹ http://www.michigan.gov/documents/dhs/LIHEAP_Spending_Plan_2014_436847_7.pdf?20140128165310