



Senate Fiscal Agency
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Senate Bill 881 (as introduced 5-22-24)
Sponsor: Senator Rick Outman
Committee: Energy and Environment

Date Completed: 6-5-24

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission law, to modify the amount used by the Michigan Public Service Commission (MPSC) to calculate a low-income energy assistance funding factor during each fiscal year.

Section 9t creates the Low-Income Energy Assistance Fund within the State Treasury, to provide energy assistance for low-income households. The Department of Health and Human Services, in consultation with the MPSC, must ensure that all money collected for the Fund from a geographic area is returned, to the extent possible, to that geographic area.

Under the Act, the State Treasurer may receive money or other assets from any source for deposit into the Fund, direct the investment of the Fund, and credit to the Fund interest and earnings from Fund investments. Under the bill, on September 30 of each year, the State Treasurer would have to determine the amount of money in the Fund that was not appropriated for expenditure during the fiscal year.

Under the Act, the MPSC may, after an opportunity to comment, annually approve a low-income energy assistance funding factor no later than July 31 of each year for the subsequent fiscal year. The low-income energy assistance funding factor must be the same across all customer classes and may not exceed \$1. The amount used by the MPSC to calculate a low-income energy assistance funding factor during each fiscal year may not exceed \$50.0 million minus the amount appropriated from the General Fund in that fiscal year for home energy assistance and the amount remaining in the Low-Income Energy Assistance Fund from the prior fiscal year. An electric utility, municipally-owned electric utility, or cooperative electric utility that collects money for this purpose must remit that money to the State Treasurer for deposit in the Fund on a monthly basis within 30 days after the last day in each calendar month. The electric utility, municipally owned electric utility, or cooperative electric utility must list the low-income energy assistance funding factor as a separate line item on each customer's bill.

Under the bill, the amount used by the MPSC to calculate a low-income energy assistance funding factor during each fiscal year could not exceed \$50.0 million minus the designated amount. "Designated amount" would mean an amount equal to the sum of the following:

- The amount appropriated from the General Fund in the current fiscal year for home energy assistance.
- The amount of money in the Fund that was not appropriated for expenditure during the fiscal year as determined by the State Treasurer.

MCL 460.9t

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have a minimal fiscal impact on the Department of Treasury and no fiscal impact on local units of government. The Department of Treasury would experience minimal additional costs to oversee the Low Income Energy Assistance Fund. Any additional costs would be within current appropriations.

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.