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SENATE FILE  
BY HATCH

2004

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to energy assistance including providing  
2 supplemental funding for the low-income home energy assistance  
3 program, providing for a household heating tax credit,  
4 allocating unclaimed utility refunds, requiring low-income  
5 customer rates by rate-regulated public utilities providing  
6 gas or electric service, and providing an effective date.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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COMMERCE

S.F. 2004

1 Section 1. SUPPLEMENTAL APPROPRIATION -- LOW-INCOME HOME  
2 ENERGY ASSISTANCE. There is appropriated from the general  
3 fund of the state to the division of community action agencies  
4 of the department of human rights for the fiscal year  
5 beginning July 1, 2005, and ending June 30, 2006, the  
6 following amount, or so much thereof as is necessary, to be  
7 used for the following purpose:

8 For supplementation of the low-income home energy  
9 assistance appropriation made in 2005 Iowa Acts, chapter 164,  
10 section 10, to be used to help eligible households meet home  
11 energy costs in accordance with 2005 Iowa Acts, chapter 164,  
12 section 10, subsection 4, and none of the following amount  
13 shall be used for administrative expenses:

14 ..... \$ 6,000,000

15 Sec. 2. NEW SECTION. 422.11M HOUSEHOLD HEATING TAX  
16 CREDIT.

17 1. The taxes imposed under this division, less the credits  
18 allowed under sections 422.12 and 422.12B, shall be reduced by  
19 a household heating tax credit. A taxpayer with a taxable  
20 household net income of less than fifty thousand dollars may  
21 claim a household heating tax credit for costs paid by the  
22 taxpayer for energy used to heat the taxpayer's primary  
23 residence.

24 2. The department shall adopt rules to establish a sliding  
25 scale for eligibility for the tax credit that may be claimed  
26 under this section based on taxable net household income and  
27 number of dependents. A tax credit claimed under this section  
28 shall not be more than one hundred dollars per taxpayer per  
29 taxable year. Not more than one taxpayer per household may  
30 claim a tax credit under this section for heating costs paid  
31 at the same residence without prior approval by the  
32 department. If the department approves more than one taxpayer  
33 per household as eligible for a tax credit pursuant to this  
34 section, the total amount of tax credit that may be claimed by  
35 all taxpayers of the household shall not be more than one

1 hundred dollars.

2 3. For purposes of this section, "household income" means  
3 the same as in section 425.17.

4 Sec. 3. Section 473.11, subsection 1, paragraph f,  
5 unnumbered paragraph 1, Code 2005, is amended to read as  
6 follows:

7 The moneys deposited under section 473.16 in the general  
8 fund of the state shall be used for research and development  
9 of selected projects to improve Iowa's energy independence by  
10 developing improved methods of energy efficiency, or by  
11 increased development and use of Iowa's renewable  
12 nonresource-depleting energy resources. The moneys credited  
13 to the general fund of the state under section 556.18,  
14 subsection 3, shall be used for means-tested energy  
15 conservation ~~and-alternative-energy-resource~~ projects and  
16 energy crisis assistance as selected by the administrator of  
17 the division of community action agencies of the department of  
18 human rights. ~~The-projects-shall-be-selected-by-the-director~~  
19 ~~and-administered-by-the-department.~~ Selection criteria for  
20 funded projects shall include consideration of indirect  
21 restitution to those persons in the state in ~~the-utility~~  
22 ~~customer-classes-and~~ the utility service territories affected  
23 by unclaimed utility refunds or deposits.

24 Sec. 4. Section 476.6, Code 2005, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 23. RATES FOR LOW-INCOME PERSONS. The  
27 board shall require each rate-regulated public utility  
28 providing gas or electric service to offer reduced rates for  
29 eligible low-income residential customers. Customer  
30 eligibility for reduced rates shall be adopted by rule and  
31 shall be similar to the eligibility requirements for the Iowa  
32 affordable heating program under section 216A.103. The board  
33 shall determine and provide a schedule of reduced rates for  
34 each rate-regulated public utility after notice and a hearing  
35 conducted as a contested case proceeding pursuant to chapter

1 17A.

2 Sec. 5. EFFECTIVE DATE. Section 1 of this Act, being  
3 deemed of immediate importance, takes effect upon enactment.

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EXPLANATION

5 This bill relates to the provision of energy assistance.  
6 The bill provides for a supplementary appropriation to the  
7 low-income home energy assistance program administered by the  
8 division of community action agencies of the department of  
9 human rights for the fiscal year beginning July 1, 2005, in  
10 the amount of \$6,000,000. The supplementary appropriation is  
11 for energy cost assistance and not for administrative  
12 expenses. This provision takes effect upon enactment.

13 The bill establishes a household heating tax credit. A  
14 taxpayer with less than \$50,000 annual taxable household  
15 income may claim a tax credit from personal income taxes  
16 imposed by Code chapter 422. The tax credit shall be for an  
17 amount not more than \$100 per taxpayer for the costs paid by  
18 the taxpayer for energy used to heat the taxpayer's primary  
19 residence. The department of revenue may give prior approval  
20 for a tax credit to more than one taxpayer from a single  
21 residence but the total tax credit for all taxpayers from a  
22 single residence shall not exceed \$100. The department is  
23 required to establish a sliding scale for eligibility for the  
24 tax credit based on taxable household net income.

25 The bill provides that unclaimed utility refunds shall be  
26 used for means-tested energy conservation and energy crisis  
27 assistance projects as selected by the administrator of the  
28 division of community action agencies of the department of  
29 human rights. Under current law, unclaimed utility refunds  
30 may be used for energy conservation and alternative energy  
31 resource projects as selected by the director of the  
32 department of natural resources.

33 The bill provides that the Iowa utilities board of the  
34 department of commerce shall require all rate-regulated public  
35 utilities providing gas or electric service to offer reduced

1 rates to eligible low-income residential customers. The board  
2 is required to adopt rules to establish customer eligibility  
3 and to determine and provide a reduced rate schedule for each  
4 rate-regulated public utility after notice and a hearing  
5 conducted as a contested case proceeding pursuant to Code  
6 chapter 17A. A "rate-regulated public utility providing gas  
7 or electric service" does not include a utility providing  
8 electric service to fewer than 10,000 customers, an electric  
9 cooperative corporation or association, a municipally owned  
10 utility, or a gas public utility with fewer than 2,000  
11 customers.

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