House File 2475 - Introduced

HOUSE FILE 2475
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2166)

A BILL FOR

- 1 An Act requiring provision of deliverable fuels to customers
- 2 under specified circumstances, and including effective date
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. <u>NEW SECTION</u>. **216A.105 Deliverable fuels** 2 mandatory delivery qualifications.
- 1. A deliverable fuel vendor engaged in the business of 4 providing deliverable fuel to customers in this state shall 5 not withhold the sale or delivery of deliverable fuel to a
- 6 customer from November 1 through April 1 annually if either of 7 the following apply:
- 8 a. The customer documents that they are able to make a cash 9 payment for deliverable fuel of five hundred dollars.
- 10 b. The customer is eligible for the federal low-income home 11 energy assistance program.
- 12 2. A deliverable fuel vendor is not prohibited from
- 13 withholding the sale or delivery of deliverable fuel to a
- 14 customer who is eligible for the federal low-income home
- 15 energy assistance program and has received the maximum amount
- 16 of annual assistance pursuant to the program, and who cannot
- 17 otherwise document the ability to make a cash payment for
- 18 deliverable fuel pursuant to subsection 1, paragraph "a".
- 19 3. A deliverable fuel vendor providing deliverable fuel to a
- 20 customer described in subsection 1, paragraph "a", may apply the
- 21 customer's cash payment as follows:
- 22 a. Seventy-five percent toward the current deliverable fuel
- 23 sale or delivery.
- 24 b. Twenty-five percent toward any unpaid balance.
- 25 4. A customer shall be responsible for the reasonable
- 26 cost of equipment safety checks conducted by a deliverable
- 27 fuel vendor, unless the customer is eligible for the federal
- 28 low-income home energy assistance program and the cost is paid
- 29 for with program funds. Equipment safety check payments shall
- 30 be in addition to, and shall not reduce, the cash payment
- 31 otherwise available for deliverable fuel sale or delivery
- 32 pursuant to subsection 1, paragraph "a". A deliverable fuel
- 33 vendor conducting an equipment safety check shall inform
- 34 customers eligible for the low-income home energy assistance
- 35 program of the existence of programs and projects developed

- 1 by the Iowa propane education and research council to provide
- 2 assistance to persons eligible for the program, if applicable
- 3 based upon the results of the safety check.
- 4 5. a. An existing customer of a deliverable fuel vendor
- 5 with an unpaid balance owing to that vendor shall not obtain
- 6 deliverable fuel from another vendor pursuant to this section
- 7 unless and until a reasonable payment arrangement for paying
- 8 off the unpaid balance has been entered into between the
- 9 customer and the deliverable fuel vendor. In the event the
- 10 customer is eligible for the federal low-income home energy
- ll assistance program, the division shall offer assistance in
- 12 facilitating the payment arrangement. The division shall by
- 13 rule establish procedures regarding payment arrangements.
- 14 b. For the purposes of this subsection, a "reasonable
- 15 payment arrangement" means a payment arrangement or agreement
- 16 determined by considering the current household income, ability
- 17 to pay, payment history including prior defaults on similar
- 18 arrangements or agreements, the size of the bill, the amount
- 19 of time and the reasons why the bill has been outstanding, and
- 20 any special circumstances creating extreme hardships within
- 21 the household, either based upon information submitted by the
- 22 customer or subject to confirmation by an acknowledgment from
- 23 the department of human services or another agency.
- 24 6. The division shall adopt rules governing contracts and
- 25 agreements with deliverable fuel vendors pursuant to this
- 26 section in order to protect the rights of persons who heat
- 27 their homes with deliverable fuels.
- 7. For the purposes of this section, unless the context
- 29 otherwise requires:
- 30 a. "Customer" means an existing customer of a deliverable
- 31 fuel vendor or a prospective customer submitting an application
- 32 or otherwise applying for the purchase or delivery of
- 33 deliverable fuel.
- 34 b. "Deliverable fuel" means propane or any other heating
- 35 fuel sold or delivered in this state for home heating purposes.

- 1 c. "Deliverable fuel vendor" means a retail propane
- 2 dispenser, retail propane marketer, or a retail dispenser or
- 3 marketer of a deliverable fuel other than propane.
- 4 d. "Propane", "retail propane dispenser", and "retail propane
- 5 marketer" mean the same as defined in section 101C.2.
- 6 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
- 7 immediate importance, takes effect upon enactment.
- 8 EXPLANATION
- 9 This bill prohibits a deliverable fuel vendor from
- 10 withholding the sale or delivery of deliverable fuel to
- ll existing and prospective customers from November 1 through
- 12 April 1 annually if the customer meets one of two alternative
- 13 criteria.
- One criteria qualifies customers for delivery if they are
- 15 eligible for the federal low-income home energy assistance
- 16 program (LIHEAP).
- 17 The second criteria qualifies customers who can document
- 18 that they are able to make a cash payment for deliverable fuel
- 19 of \$500. The bill provides that in the event an unpaid balance
- 20 by the customer exists, 75 percent of this cash payment may be
- 21 allocated by the vendor toward the current deliverable fuel
- 22 sale or delivery, and that 25 percent may be allocated toward
- 23 the unpaid balance.
- 24 The bill provides that a vendor is not prohibited from
- 25 withholding a sale or delivery to a LIHEAP customer who has
- 26 received the maximum amount of annual assistance pursuant to
- 27 the program, and who cannot otherwise document the ability to
- 28 make the \$500 cash payment.
- 29 The bill requires customers to pay for the reasonable cost of
- 30 equipment safety checks conducted by vendors, unless the check
- 31 is paid for with LIHEAP funds, and that equipment safety check
- 32 payments shall be in addition to and shall not reduce the \$500
- 33 cash payment otherwise required for a deliverable fuel payment.
- 34 Vendors conducting the checks are required to inform LIHEAP
- 35 customers of assistance available through programs and projects

- 1 developed by the Iowa propane education and research council,
- 2 if applicable.
- 3 The bill prevents an existing customer owing an unpaid
- 4 balance to a vendor to obtain deliverable fuel from another
- 5 vendor unless and until a reasonable payment arrangement, as
- 6 defined in the bill, for paying off the unpaid balance has
- 7 been entered into between the customer and the vendor. The
- 8 bill directs the division of community action agencies of
- 9 the department of human rights to assist LIHEAP customers in
- 10 facilitating the arrangements, and to establish procedures by
- 11 rule regarding such arrangements.
- 12 The bill also directs the division to adopt rules governing
- 13 contracts and agreements with vendors in order to protect the
- 14 rights of persons who heat their homes with deliverable fuels.
- 15 Definitions of "customer", "deliverable fuel", "deliverable
- 16 fuel vendor", and "propane" are supplied.
- 17 The bill takes effect upon enactment.