



Senator Joe Paskvan

Alaska State Senate • District E • Fairbanks • Ft. Wainwright

Senate Bill 93 - Municipal Air Quality Property Tax Credit

Sponsor Statement

Some communities in Alaska have been designated as non-attainment areas for PM 2.5 by the EPA. Based on the requirements of the Clean Air Act, the state and those impacted local governments have three years to develop attainment plans designed to bring air quality into compliance with federal air standards.

SB 93 is needed as a first step to allow local municipalities the latitude in developing tax credit programs to address the important public health and community compliance issues that result from poor air quality.

Senate Bill 93 is designed to provide optional tools to municipalities that can be used to create incentives for individuals to take actions that will improve local air quality and reduce fuel consumption.

SB 93 expands the discretion of municipalities in a manner that allows, by ordinance, the creation of programs that will offer property tax credits for actions that the local governing body determines will improve air quality. This bill requires that eligibility, conditions and other criteria for the tax credits be established by ordinance.

Examples of how this proposed legislation might be used by a municipality include:

- Incentives to residents to exchange old-style wood stoves for EPA certified wood stoves. Data show that EPA certified wood stoves significantly reduce fine particulate emissions over non-EPA stoves. It is in the interest of any community with air quality nonattainment issues to have citizens who choose to heat with wood do so in the most environmentally friendly way.
- Incentives to residences or commercial businesses to improve the energy efficiency of their property. Reduced fuel consumption would lead to reduced emissions from area heating or electricity generation. Incentives could be based on calculated BTU savings, MW reductions, etc.
- Incentives to convert from carbon based energy consumption to alternative energy generation. This could involve tax credits for construction and use of a solar array or wind turbine to power/heat residential or commercial facilities.

The proposed legislation would create a full range of options for a local municipality to address air quality issues, rather than just restriction and enforcement based options.

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