

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 1, line 4, following "fund,":

2 Insert "**to the alternative energy revolving loan fund,**"

3

4 Page 14, following line 17:

5 Insert new bill sections to read:

6 **"* Sec. 16.** AS 45.88.010(a) is amended to read:

7 (a) There is established in the Department of Commerce, Community, and
8 Economic Development the alternative energy **conservation** revolving loan fund to
9 carry out the purposes of AS 45.88.010 - 45.88.090. Loans made under AS 45.88.010
10 - 45.88.090 are to be used

11 **(1) to develop means of energy production utilizing one or more**
12 **alternative energy systems; and**

13 **(2) to purchase, construct, and install energy conservation**
14 **improvements in commercial buildings** [ENERGY SOURCES OTHER THAN
15 FOSSIL OR NUCLEAR FUEL, INCLUDING, BUT NOT LIMITED TO,
16 WINDMILLS, WATER AND SOLAR ENERGY DEVICES].

17 *** Sec. 17.** AS 45.88.010 is amended by adding a new subsection to read:

18 (e) The alternative energy conservation revolving loan fund consists of

19 (1) money appropriated to the fund by the legislature;

20 (2) gifts, bequests, or contributions from other sources;

21 (3) principal and interest payments or other income earned on loans or
22 investments in the fund; and

23 (4) money chargeable to principal or interest that is collected through

1 liquidation by foreclosure or other processes on loans made under AS 45.88.010 -
2 45.88.090.

3 * **Sec. 18.** AS 45.88.020(a) is amended to read:

4 (a) The department may

5 (1) make loans for the purchase, construction, and installation, in
6 commercial buildings that are located in the state, of

7 (A) alternative energy systems; and

8 (B) energy conservation improvements;

9 (2) adopt regulations necessary to carry out the provisions of
10 AS 45.88.010 - 45.88.090, including regulations to establish reasonable fees for
11 services provided and charges for collecting the fees;

12 (3) collect the fees and collection charges established under this
13 subsection.

14 * **Sec. 19.** AS 45.88.025 is amended by adding a new section to read:

15 **Sec. 45.88.025. Eligibility.** To be eligible for a loan under AS 45.88.010 -
16 45.88.090, an applicant must

17 (1) physically reside in the state and maintain a domicile in the state
18 during 12 consecutive months before the date of application for a loan and may not
19 have

20 (A) declared or established residency in another state; or

21 (B) received residency or a benefit based on residency from
22 another state;

23 (2) be at least 51 percent owned by individuals described in (1) of this
24 section if the applicant is a corporation, joint venture, or partnership; or

25 (3) be a nonprofit organization under AS 10.20.

26 * **Sec. 20.** AS 45.88.030(a) is repealed and reenacted to read:

27 (a) A loan made under AS 45.88.010 - 45.88.090 may not exceed \$50,000. If
28 the requested loan amount exceeds \$30,000, the applicant must deliver to the
29 department a document from a financial institution stating that

30 (1) the applicant has been denied a loan for the same purpose; or

31 (2) the loan from the financial institution is contingent on the applicant

1 also receiving a loan from the fund.

2 * **Sec. 21.** AS 45.88.030(e) is amended to read:

3 (e) The rate of interest for a loan **under AS 45.88.010 - 45.88.090 is the**
 4 **prime rate, as defined by AS 44.88.599, plus one percentage point, but may not be**
 5 **less than five percent a year** [FOR AN ALTERNATIVE ENERGY SYSTEM IS
 6 FIVE PERCENT FOR THE FIRST \$15,000 OF THE LOAN AND 15 PERCENT
 7 FOR THE AMOUNT OF THE LOAN THAT EXCEEDS \$15,000].

8 * **Sec. 22.** AS 45.88.030 is amended by adding a new subsection to read:

9 (f) A loan under AS 45.88.010 - 45.88.090 must be secured by a mortgage or
 10 other security instrument in the real property to be improved and a lien on the
 11 improvements financed with the loan.

12 * **Sec. 23.** AS 45.88.090(a) is amended to read:

13 (a) In AS 45.88.010 - 45.88.090,

14 **(1)** "alternative energy system"

15 **(A)** [(1)] means a source of thermal, mechanical or electrical
 16 energy **that** [WHICH] is not dependent on oil or gas or a nuclear fuel for the
 17 supply of energy for space heating and cooling, refrigeration and cold storage,
 18 electrical power, mechanical power, or the heating of water;

19 **(B)** [(2)] includes

20 **(i)** [(A)] an alternative energy property as defined by 26
 21 U.S.C. 48(a)(3)(A) (Sec. 301, P.L. 95-618, Internal Revenue Code);

22 **(ii)** [(B)] a method of architectural design and
 23 construction which provides for the collection, storage, and use of
 24 direct radiation from the sun;

25 **(iii)** [(C)] a woodstove with a catalytic converter or a
 26 catalytic converter for a wood stove; [AND]

27 **(iv)** [(D)] a steam, hot water, or ducted hot air central
 28 heating system that uses wood or coal for fuel; **and**

29 **(v) a high efficiency wood pellet stove;**

30 **(C)** [(3)] does not include

31 **(i)** [(A)] a stove that uses only wood, coal, or oil for

1 fuel; or

2 (ii) [(B)] a fireplace or fireplace insert;

3 (2) "commercial building"

4 (A) means a building that is intended to be used for
5 commercial purposes;

6 (B) does not include

7 (i) a residential structure or mobile home that
8 contains one to four family housing units; or

9 (ii) individual units of condominiums or
10 cooperatives;

11 (3) "energy conservation improvement" means

12 (A) structural insulation;

13 (B) thermal windows and doors;

14 (C) a furnace replacement burner designed to achieve a
15 reduction in the amount of fuel consumed as a result of increased
16 combustion efficiency;

17 (D) a device for modifying flue openings designed to
18 increase the efficiency of operation of the heating system;

19 (E) an electrical or mechanical furnace ignition system that
20 replaces a gas pilot light;

21 (F) an automatic energy-saving setback thermostat;

22 (G) a meter that displays the cost of energy usage;

23 (H) caulking and weather stripping of doors and windows;

24 (I) insulating shades and shutters;

25 (J) air and water recuperators."

26
27 Renumber the following bill sections accordingly.

28
29 Page 18, following line 29:

30 Insert a new bill section to read:

31 **"* Sec. 26.** AS 45.88.010(c), 45.88.030(c), 45.88.030(d), and 45.88.040(a) are repealed."

1

2 Renumber the following bill sections accordingly.

3

4 Renumber internal references to bill sections in accordance with this amendment. Below are

5 all internal bill section references in this bill:

6 Page 18, line 29

7 Page 19, line 4

8 Page 20, lines 28, 29, and 30

9 Page 21, lines 4, 18, 20, and 21

10 Page 22, lines 1, 9