

Alaska State Legislature  
House of Representatives  
Representative Tammie Wilson

*Interim*  
301 Santa Clause Lane  
North Pole, AK 99705  
Phone - (907) 451-2806  
Fax - (907) 451-2332



*Session*  
State Capitol  
Juneau, AK 99801  
Phone - (907) 465-4797  
Fax - (907) 465-3884

Rep.Tammie.Wilson@legis.state.ak.us

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## Sectional Analysis

**Section 1.** Amends AS 18.56 creating a new section “Article 6A. Natural Gas Home Heating Conversion Loan Program” with new sections 18.56.870, 18.56.873, and 18.56.875.

**Sec. 18.56.870.** Titled “Natural gas home heating conversion loan program”. Creates a new natural gas home heating conversion loan program under the Alaska Housing Finance Corporation (AHFC). Qualified applicants can apply for a low interest loan to convert a home that uses oil, coal, wood, or other non-natural gas fired heating devices to natural gas heat. To qualify for a loan, the homeowner will need an energy audit performed by an approved rater, to be paid for by the homeowner. Defines an eligible home as substantially complete, owner-occupied, single-family dwelling or duplex used as a permanent residence of the loan applicant. Not more than 25 percent of the home may be used for commercial purposes. An eligible home does not include a home that has been destroyed, abandoned, or converted to another form of heat 12 months after an energy audit has been performed, to a home which natural gas is not available, and to a home that has already received a loan under this program.

**Sec. 18.56.873.** Titled “Natural gas home heating conversion loan fund”. Establishes the natural gas home heating conversion loan fund administered by AHFC. Money will be appropriated to the fund by the Legislature. Loans made under the conversion program will have an interest rate of 1 percent, term of 10 years, not subject to income limitations, and may not exceed the cost of conversion to a natural gas heating device or \$7,500. Provides the loan fund may be used for making loans to eligible homeowners, cover costs of administering the loan, and cover costs of administering and enforcing loan terms.

**Sec. 18.56.875.** Exempts AHFC from requirements of AS 46.11.050(b) when making loans under AS 18.56.870 and 18.56.873.

