

Special Committee on Energy

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ALASKA STATE HOUSE OF REPRESENTATIVES

HB 232 – An Act relating to a municipal air quality improvement tax credit; and relating to a municipal energy efficient new construction tax credit

Sponsor Statement

Introduced at the request of the Fairbanks North Star Borough, HB 232 gives municipalities new tools to address challenges facing their communities. HB 232 allows local governments to offer municipal tax credits to home and business owners who invest in property improvements which result in increased energy efficiency or local air quality. This bill does not mandate any action by municipalities – it offers local governments additional avenues for addressing local challenges and priorities.

Relying on the adage that local problems are best solved through local solutions, HB 232 allows municipalities to offer tax credits to businesses and residents who make investments that will result in cleaner air. Additionally, the bill allows municipal tax credits to be targeted towards improvements that result in overall energy efficiency and reductions in energy use. The bill allows for maximum flexibility by municipalities who choose to offer these credits.

It is the hope of the sponsor and the requesting municipality that these tools will result in more Interior Alaskans choosing to convert their home heating systems and connect to the expanding Interior Gas Utility distribution system, thereby maximizing the return on the state's investment in the system.