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Walsh  
4/9/24

**CS FOR SENATE BILL NO. 125(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to subsidiary corporations of the Alaska Housing Finance**  
2 **Corporation; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 18.56.010 is amended by adding a new subsection to read:

5 (h) The legislature finds that permitting the Alaska Housing Finance  
6 Corporation to create a subsidiary to assist in the financing of sustainable energy  
7 development serves a public purpose benefitting the people of the state. The Alaska  
8 Housing Finance Corporation is empowered to act on behalf of the state and its people  
9 in serving this public purpose for the benefit of the general public.

10 **\* Sec. 2.** AS 18.56.086(a) is amended to read:

11 (a) The corporation may create subsidiary corporations for the purpose of  
12 financing or facilitating the financing of school construction, facilities for the  
13 University of Alaska, facilities for ports and harbors, the acquisition, development,  
14 management, or operation of [AFFORDABLE] housing, prepayment of all or a

portion of a governmental employer's share of unfunded accrued actuarial liability of retirement systems, sustainable energy development, or other capital projects. A subsidiary corporation created under this section may be incorporated under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the corporation to a subsidiary created under this section. A subsidiary created under this section may borrow money and issue bonds as evidence of that borrowing, and has all the powers of the corporation that the corporation grants to it. However, a subsidiary created for the purpose of financing or facilitating the financing of prepayment of a governmental employer's share of unfunded accrued actuarial liability of retirement systems may borrow money and issue bonds only after submitting a proposal to the Legislative Budget and Audit Committee under (b) of this section, if the state bond rating is the equivalent of AA- or better, and subject to AS 37.15.903. Unless otherwise provided by the corporation, the debts, liabilities, and obligations of a subsidiary corporation created under this section are not the debts, liabilities, or obligations of the corporation.

\* **Sec. 3.** AS 18.56.086 is amended by adding a new subsection to read:

(c) In managing a subsidiary created for the purpose of financing or facilitating the financing of sustainable energy development, the corporation shall consider the state energy policy described in AS 44.99.115 and shall prioritize sustainable energy development that supports energy efficiency and renewable energy for residential buildings, commercial buildings, and community facilities.

\* **Sec. 4.** AS 18.56.090(e) is amended to read:

(e) In furtherance of its corporate purpose, the corporation may, in cooperation with the Alaska Energy Authority, provide technical assistance to

(1) municipalities **that is** related to residential and commercial building energy codes and energy efficiency standards; and

(2) support or establish public, quasi-public, or nonprofit entities that provide financial assistance for sustainable energy development projects in the state or delivering energy to the state, including community and low-income lenders and capital providers.

\* **Sec. 5.** AS 18.56.900 is amended by adding a new paragraph to read:

1 (3) "sustainable energy development" means

2 (A) renewable energy generation from sources that are  
3 continually replenished by nature, such as the sun, wind, water, or biological  
4 processes;

5 (B) building energy efficiency, including switching to  
6 renewable fuels and electrification;

7 (C) electrical infrastructure incorporating

8 (i) energy storage to support clean energy distribution,  
9 including remote and non-remote microgrids and smart-grid  
10 applications; or

11 (ii) sustainable technologies, including distributed  
12 generation, advanced battery, and combined heat and power;

13 (D) clean transportation, including

14 (i) electric vehicles powered by batteries, hydrogen  
15 vehicles, plug-in hybrid electric vehicles, and other zero-emissions  
16 vehicles for consumers, businesses, government, and public transit; and

17 (ii) electric vehicle charging and fueling infrastructure;

18 or

19 (E) any greenhouse gas emissions reduction, energy efficiency,  
20 or zero-emission technology approved by the corporation.

21 \* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).