

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR MCGUIRE

TO: CSSB 220(RES), Draft Version "K"

1 Page 12, line 3, through page 13, line 18:

2 Delete all material and insert:

3 **"* Sec. 17.** AS 45.88.010(a) is amended to read:

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

8 (1) to develop means of energy production utilizing one or more
9 alternative energy systems; and

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

14 *** Sec. 18.** AS 45.88.010 is amended by adding a new subsection to read:

15 (e) The Alaska energy conservation revolving loan fund consists of

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

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

18 (3) principal and interest payments or other income earned on loans or
19 investments in the fund ~~and appropriated to the fund~~, and

20 (4) money chargeable to principal or interest that is collected through
21 liquidation by foreclosure or other processes on loans made under AS 45.88.010 -
22 45.88.090 ~~and appropriated to the fund~~.

23 *** Sec. 19.** AS 45.88.020(a) is amended to read:

24 (a) The department may

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

(A) alternative energy systems; and

(B) energy conservation improvements;

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

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

* Sec. 20. AS 45.88.025 is amended by adding a new section to read:

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

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

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

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

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

(3) be a nonprofit organization under AS 10.20.

* Sec. 21. AS 45.88.030(a) is repealed and reenacted to read:

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

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

(2) the loan from the financial institution is contingent on the applicant also receiving a loan from the fund.

* Sec. 22. AS 45.88.030(e) is amended to read:

(e) The rate of interest for a loan under AS 45.88.010 - 45.88.090 shall be the prime rate, as defined by AS 44.88.599, plus one percentage point, but may not be

1 less than five percent a year [FOR AN ALTERNATIVE ENERGY SYSTEM IS
 2 FIVE PERCENT FOR THE FIRST \$15,000 OF THE LOAN AND 15 PERCENT
 3 FOR THE AMOUNT OF THE LOAN THAT EXCEEDS \$15,000].

4 * **Sec. 23.** AS 45.88.030 is amended by adding a new subsection to read:

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

8 * **Sec. 24.** AS 45.88.090(a) is amended to read:

9 (a) In AS 45.88.010 - 45.88.090,

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

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

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

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

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

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

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

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

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

27 **(i)** [(A)] a stove that uses only wood, coal, or oil for
 28 fuel; or

29 **(ii)** [(B)] a fireplace or fireplace insert;

30 **(2) "commercial building"**

31 **(A) means a building that is intended to be used for**

commercial purposes;

(B) does not include

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

(ii) individual units of condominiums or cooperatives;

(3) "energy conservation improvement" means

(A) structural insulation;

(B) thermal windows and doors;

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

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

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

(F) an automatic energy-saving setback thermostat;

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

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

(I) insulating shades and shutters;

(J) air and water recuperators."

Renumber the following bill sections accordingly.

Page 13, line 19, following "45.88.010(c),":

Delete "45.88.030(e)"

Insert "45.88.030(c), 45.88.030(d),"

Page 14, following line 10:

Insert a new bill section to read:

"* **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 REVISOR'S INSTRUCTION. The revisor of statutes shall change the heading of art.
3 1 of AS 45.88 from "Alternative Energy Revolving Loan Fund" to "Alternative Energy
4 Conservation Revolving Loan Fund."