

**AMENDMENT**

OFFERED IN THE HOUSE  
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

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

Insert "to the alternative energy revolving loan fund,"

Page 14, following line 17:

Insert new bill sections to read:

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

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

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

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

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

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

- (1) money appropriated to the fund by the legislature;
- (2) gifts, bequests, or contributions from other sources;
- (3) principal and interest payments or other income earned on loans or investments in the fund; and
- (4) money chargeable to principal or interest that is collected through

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

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

(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. 19.** 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 before 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. 20.** 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. 21.** 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 is the prime rate, as defined by AS 44.88.599, plus one percentage point, but may not be less than five percent a year** [FOR AN ALTERNATIVE ENERGY SYSTEM IS FIVE PERCENT FOR THE FIRST \$15,000 OF THE LOAN AND 15 PERCENT FOR THE AMOUNT OF THE LOAN THAT EXCEEDS \$15,000].

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

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

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

(a) In AS 45.88.010 - 45.88.090,

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

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

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

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

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

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

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

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

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

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

fuel; or

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

**(2) "commercial building"**

**(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 18, following line 29:

Insert a new bill section to read:

**"\* 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