

HOUSE CS FOR CS FOR SENATE BILL NO. 4002(FIN) am H
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 8/6/08

Offered: 8/5/08

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund;**
2 **relating to power cost equalization; relating to Alaska resource rebates, and increasing**
3 **the amount of the 2008 permanent fund dividend to provide that rebate; suspending the**
4 **motor fuel tax; eliminating the authority to make certain provisions of the heating**
5 **assistance program retroactive to November 1, 2007; and providing for an effective**
6 **date."**

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

8 *** Section 1.** AS 29.60.660(c) is amended to read:

9 (c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal
10 year

11 (1) may not exceed **\$750,000** [\$500,000]; and

12 (2) shall be repaid within one year after the date of the award.

13 *** Sec. 2.** AS 42.45.110(c) is amended to read:

1 (c) The amount of power cost equalization provided **for each** [PER] kilowatt-
 2 hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the
 3 power costs, or the average rate **for each** [PER] eligible kilowatt-hour sold, whichever
 4 is less, as determined by the commission. However,

5 (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1,
 6 1999,] the power costs for which power cost equalization **are** [WERE] paid to an
 7 electric utility **are** [WERE] limited to minimum power costs of more than 12 cents **a**
 8 [PER] kilowatt-hour and less than **\$1.00 a** [52.5 CENTS PER] kilowatt-hour;

9 (2) **each year** [DURING EACH FOLLOWING STATE FISCAL
 10 YEAR], the commission shall adjust the power costs for which power cost
 11 equalization may be paid to an electric utility based on the weighted average retail
 12 residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may
 13 not adjust the power costs under this paragraph to reduce the amount below the lower
 14 limit set out in (1) of this subsection; and

15 (3) the power cost equalization **for each** [PER] kilowatt-hour may be
 16 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
 17 hours generated.

18 * **Sec. 3.** AS 42.45.110(c), as amended by sec. 2 of this Act, is amended to read:

19 (c) The amount of power cost equalization provided for each kilowatt-hour
 20 under (b) of this section may not exceed 95 percent of the power costs, or the average
 21 rate for each eligible kilowatt-hour sold, whichever is less, as determined by the
 22 commission. However,

23 (1) the power costs for which power cost equalization are paid to an
 24 electric utility are limited to minimum power costs of more than 12 cents a kilowatt-
 25 hour and less than **52.5 cents** [\$1.00] a kilowatt-hour;

26 (2) each year, the commission shall adjust the power costs for which
 27 power cost equalization may be paid to an electric utility based on the weighted
 28 average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the
 29 commission may not adjust the power costs under this paragraph to reduce the amount
 30 below the lower limit set out in (1) of this subsection; and

31 (3) the power cost equalization for each kilowatt-hour may be

1 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
2 hours generated.

3 * **Sec. 4.** AS 42.45.250(e) is amended to read:

4 (e) Loans made from the bulk fuel revolving loan fund to one borrower in any
5 fiscal year

6 (1) may not exceed \$750,000 [\$500,000], or, if the borrower is a
7 cooperative corporation organized under AS 10.15 or an electric cooperative
8 organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more
9 than one community, may not exceed the lesser of \$750,000 [\$500,000] multiplied by
10 the number of communities on whose behalf the bulk fuel is to be purchased, or
11 \$1,800,000;

12 (2) shall be repaid in one year or less; and

13 (3) may not exceed 90 percent of the wholesale price of the fuel
14 purchased.

15 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **ALASKA RESOURCE REBATE.** (a) To provide residents of the state with an Alaska
18 resource rebate, the amount of the 2008 permanent fund dividend shall be increased. After
19 calculating the amount of the 2008 dividend under AS 43.23.025, the commissioner of
20 revenue shall add \$1,200 to determine the total amount of that dividend. An individual may
21 elect not to receive the \$1,200 resource rebate authorized under this subsection. An individual
22 who elects not to receive the \$1,200 resource rebate may provide notice of the election on a
23 form provided by the Department of Revenue. Notice must be postmarked or received by the
24 Department of Revenue not later than September 2, 2008.

25 (b) A veteran or the spouse or dependent of a living or deceased veteran who did not
26 apply for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38
27 U.S.C. 1315, 1513, 1521, 1541, and 1542 may apply to the Department of Revenue for a
28 \$1,200 Alaska resource rebate payment for 2008. The individual shall apply on a form
29 provided by the department not later than October 1, 2008, and shall demonstrate that the
30 individual would have been eligible to receive a 2008 permanent fund dividend under
31 AS 43.23, except that the individual did not apply for that dividend.

1 (c) A veteran or the spouse or dependent of a living or deceased veteran who is
2 eligible for veterans' benefits under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542 who is
3 denied or receives reduced payments under those provisions or reduced health care benefits
4 solely because the \$1,200 increase in the dividend under (a) of this section or the \$1,200
5 payment under (b) of this section received by the individual is counted as income is eligible
6 for cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance).
7 Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive the same
8 amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, 1541, and
9 1542 and as a health care benefit as a result of being eligible under 38 U.S.C. 1315, 1513,
10 1521, 1541, and 1542, had the \$1,200 increase or payment not been received under (a) or (b)
11 of this section.

12 (d) Subject to appropriation, the amount necessary for resource rebates to increase
13 2008 permanent fund dividends under (a) of this section shall be transferred from the general
14 fund to the dividend fund (AS 43.23.045).

15 (e) When issuing checks or pay warrants associated with a direct deposit to residents
16 receiving a permanent fund dividend, the commissioner of revenue shall include the following
17 statement in bold type: "This payment includes a resource rebate of \$1,200, which is a one-
18 time payment to qualified Alaskans."

19 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **SUSPENSION OF THE MOTOR FUEL TAX.** (a) Notwithstanding any other
22 provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not
23 be collected for a period beginning September 1, 2008, and ending August 31, 2009.

24 (b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the
25 suspension established in (a) of this section shall submit a monthly report, under penalty of
26 unsworn falsification, on a form or in a format prescribed by the Department of Revenue
27 showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. The
28 department may require that invoices be attached to the report supporting all sales and
29 transfers of gasoline, diesel, and aviation fuel in the state. The report is due to the Department
30 of Revenue on the last day of the month following the month in which sales or transfers of
31 gasoline, diesel, or aviation fuel were made. The Department of Revenue may assess a penalty

1 of up to \$5,000 against any person that fails to file a monthly report or provide the supporting
2 invoices as required by this subsection.

3 (c) The Department of Revenue may adopt regulations under AS 44.62 to implement
4 this section.

5 * **Sec. 7.** Sections 9 and 11, ch. 31, SLA 2008, are repealed.

6 * **Sec. 8.** Section 6(a) of this Act is repealed August 31, 2009.

7 * **Sec. 9.** Section 6(b) and (c) of this Act are repealed October 1, 2009.

8 * **Sec. 10.** Section 2 of this Act takes effect October 1, 2008.

9 * **Sec. 11.** Section 3 of this Act takes effect June 30, 2009.

10 * **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect
11 immediately under AS 01.10.070(c).