

**HOUSE BILL NO. 35**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES TAMMIE WILSON, THOMPSON, HIGGINS, ISAACSON, AND  
KREISS-TOMKINS, Kawasaki, Peggy Wilson, Kerttula, Costello, Tarr**

**Introduced: 1/16/13**

**Referred: House Special Committee on Energy, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act creating a low-interest loan program for homeowners who improve or replace**  
2 **their home heating systems; and providing for an effective date."**

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

4 **\* Section 1.** AS 18.56 is amended by adding a new section to read:

5 **Article 6A. Home Heating Improvement Loan Program.**

6 **Sec. 18.56.870. Home heating improvement loan program.** (a) The  
7 corporation shall establish a program under which the owner of a home that is eligible  
8 under (b) and (c) of this section may apply for a loan to improve or replace a home  
9 heating system.

10 (b) To qualify for a loan under the program established in (a) of this section,  
11 the homeowner shall obtain an inspection performed by an energy rater approved  
12 under regulations adopted by the corporation or by a registered mechanical contractor.  
13 The energy rater or contractor shall, under regulations adopted by the corporation,

14 (1) perform an on-site inspection of the home;

1 (2) determine whether improving or replacing the primary heating  
2 system of the home would increase the energy efficiency of the home; and

3 (3) provide the homeowner with an estimate of the cost savings and  
4 change in energy efficiency of the home as a result of improving or replacing the  
5 primary heating system of the home.

6 (c) Under this section, a home is eligible if the corporation determines it is a  
7 substantially complete, owner-occupied, single-family dwelling or duplex used as a  
8 permanent residence by the loan applicant and is located in the state. A home is not  
9 eligible if

10 (1) the home is to be destroyed, abandoned, or converted to another  
11 purpose within 12 months after an inspection performed under (b) of this section;

12 (2) the energy source fueling or powering the improved or replaced  
13 heating system is not available;

14 (3) a loan for the home was previously received under this program; or

15 (4) more than 25 percent of the gross floor area of the home is devoted  
16 to commercial use.

17 (d) A loan made under this program

18 (1) shall have an interest rate of one percent;

19 (2) shall be repaid over a term of 10 years;

20 (3) may not be subject to income limitations;

21 (4) may not exceed, for a home, the lesser of

22 (A) the cost, including materials and labor, of the  
23 improvements to or replacement of the heating system that will be used as the  
24 primary heating method for the home plus the cost of the inspection required  
25 under (b) of this section; or

26 (B) \$15,000.

27 (e) As a condition of the loan, a homeowner who receives a loan under this  
28 section shall agree, in writing, to improve or replace the heating system in accordance  
29 with applicable building and housing codes and obtain all required permits.

30 (f) The corporation shall use repayments of principal on a loan made under  
31 this section for the purposes of providing loans under this section or paying the

1 administrative costs related to providing loans under this section. Interest paid on  
2 loans made under this section shall be deposited in the general fund and may be  
3 appropriated for the loan program under this section or for any other public purpose.

4 (g) In making loans under this section, the corporation is exempt from the  
5 requirements of AS 46.11.050(b).

6 (h) In this section, "building and housing codes" includes a law, ordinance, or  
7 governmental regulation concerning fitness for habitation or the construction,  
8 maintenance, operation, occupancy, use, or appearance of a premises or dwelling unit.

9 \* **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).