

Original sponsors: Miles, Dankworth,  
Snider, et al

Offered: 4/29/77  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 504

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a residential fuel conservation revolving loan fund; and providing for an effective date."

7

8

9

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

10

\* Section 1. AS 44.33 is amended by adding new sections to read:

11

ARTICLE 8. RESIDENTIAL FUEL CONSERVATION

12

REVOLVING LOAN FUND.

13

14

15

16

17

18

Sec. 44.33.400. PURPOSE. The purpose of secs. 400 - 460 of this chapter in providing for a residential fuel conservation revolving loan fund is to enable a person who is a resident of the state to obtain financial assistance in making permanent improvements to a residence which he owns which will result in the conservation of energy from nonrenewable resources.

19

20

21

22

23

Sec. 44.33.410. RESIDENTIAL FUEL CONSERVATION REVOLVING LOAN FUND. There is established in the Department of Commerce and Economic Development a residential fuel conservation revolving loan fund to carry out the purposes of secs. 400 - 460 of this chapter. The fund shall be used for no other purpose.

24

25

26

27

28

29

Sec. 44.33.420. ELIGIBILITY FOR LOAN. (a) A person is eligible for a loan under secs. 400 - 460 of this chapter if

(1) he is the owner of the residence for which application for a loan is made;

(2) he and the members of his immediate family residing within the residence for which application for a loan is made have a

1 total adjusted gross income of less than \$40,000;

2 (3) he has not received more than \$4,000 in loans from the  
3 fund during the five-year period preceding submission of an application;  
4 and

5 (4) he meets other eligibility standards established by the  
6 department in sec. 440 of this chapter.

7 (b) No loan may be made under this section unless the commissioner  
8 finds that the applicant cannot obtain financial assistance from a  
9 private lending institution for the completion of improvements for the  
10 residential unit which will contribute to conservation of energy.

11 (c) A person shall submit with his application a plan for the use  
12 of the loan funds. No loan may be provided unless the applicant's plan  
13 for the use of the loan funds is reviewed and approved by the commis-  
14 sioner or his designee.

15 Sec. 44.33.430. TERMS OF LOAN. (a) The principal amount of a  
16 loan approved by the commissioner under secs. 400 - 460 of this chapter  
17 may not exceed \$4,000.

18 (b) A loan approved by the commissioner under secs. 400 - 460 of  
19 this chapter shall be repaid within 10 years, with interest due on the  
20 unpaid balance of the loan at the rate of seven per cent a year.

21 (c) No loan may be approved by the commissioner under secs. 400 -  
22 460 of this chapter unless the applicant agrees to promptly inform the  
23 department of the sale or other disposal of the residential unit for  
24 which a loan is made and to secure the written consent of the commis-  
25 sioner to the transfer of the loan. If an applicant sells or otherwise  
26 disposes of the residential unit for which a loan is made without secur-  
27 ing the written consent of the commissioner, the outstanding balance of  
28 the loan is immediately due and payable.

29 (d) A loan approved by the commissioner under secs. 400 - 460 of

1 this chapter shall be secured by a second deed of trust or other  
2 collateral acceptable to the commissioner.

3 Sec. 44.33.440. ADMINISTRATION OF THE FUND. The department shall

4 (1) make loans for improvements to residences for purposes of  
5 residential fuel conservation;

6 (2) adopt regulations necessary to carry out the purposes of  
7 secs. 400 - 460 of this chapter;

8 (3) develop eligibility standards for loans for improvements,  
9 including but not limited to loan terms; and

10 (4) deposit all payments of principal and interest on loans  
11 approved under secs. 400 - 460 of this chapter into the fund.

12 Sec. 44.33.450. SALE OR TRANSFER OF SECURITY INTERESTS. The  
13 commissioner may transfer to the Department of Revenue or sell at par  
14 value or at a premium to a bank or other private purchaser for cash or  
15 other consideration the security instruments held by the department for  
16 loans approved under secs. 400 - 460 of this chapter. The commissioner  
17 of revenue shall purchase the security interests offered for loans made  
18 under secs. 400 - 460 of this chapter.

19 Sec. 44.33.460. DEFINITIONS. In secs. 400 - 460 of this chapter,

20 (1) "commissioner" means the commissioner of the Department  
21 of Commerce and Economic Development;

22 (2) "department" means the Department of Commerce and Economic  
23 Development;

24 (3) "fund" means the residential fuel conservation revolving  
25 loan fund established by sec. 410 of this chapter;

26 (4) "improvement" means a permanent alteration of a residen-  
27 tial unit which materially contributes to the reduction of consumption  
28 of coal, oil or gas or other nonrenewable fuels for purposes of heating  
29 the unit or other energy supply, including but not limited to the

1 purchase of insulation materials and insulated windows or the substi-  
2 tution or adoption of an alternative energy source based upon a renew-  
3 able resource such as wind, water, solar or geothermal energy, and the  
4 costs of labor for installation;

5 (5) "residential unit" means a single-family residence or a  
6 multi-family residential unit.

7 \* Sec. 2. No loan may be approved by the commissioner of commerce and  
8 economic development under AS 44.33.400 - 44.33.460 after December 31, 1982.

9 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
10 070(c).