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BY THE RULES COMMITTEE
BY REQUEST OF THE
LEGISLATIVE COUNCIL

1 IN THE HOUSE

2 HOUSE BILL NO. 954

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to conservation of energy and to
7 development and use of alternative energy systems; and
8 providing for an effective date."

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

10 * Section 1. AS 43.20 is amended by adding a new section to read:

11 Sec. 43.20.037. ALTERNATIVE ENERGY SYSTEM CREDIT. (a) A taxpayer
12 may claim a credit against the tax due under this chapter for expenses
13 paid or incurred in the installation of an alternative energy system in
14 a building or structure which is located in the state and, except as
15 provided in (d) of this section, owned by the taxpayer at the time of
16 installation of the alternative energy system and occupied by him as his
17 principal place of residence or used by him as his personal place of
18 business. The credit may not exceed the net income tax liability of the
19 taxpayer after deduction of all other applicable credits. If married
20 taxpayers file separate returns, the credit may be taken by either of
21 them or equally divided between them.

22 (b) The credit authorized by this section is equal to 50 percent
23 of the cost of installation of the alternative energy system, and may be
24 claimed by the taxpayer as follows:

25 (1) not more than 60 percent of the amount of the credit
26 authorized by this section may be claimed by the taxpayer as a credit
27 against taxes due for the tax year in which the alternative energy
28 system was installed;

29 (2) not more than 40 percent of the amount of the credit

1 authorized by this section may be claimed by the taxpayer as a credit
2 against taxes due for the tax year following the tax year in which the
3 alternative energy system was installed.

4 (c) If, after claiming a credit for each of the two years as
5 provided in (b) of this section, the taxpayer has not received tax
6 credits equal to 50 percent of the cost of installation of the alter-
7 native energy system, in the third year the taxpayer may claim, and the
8 commissioner shall pay, the difference between the credit paid to the
9 taxpayer under (b) of this section and 50 percent of the cost of in-
10 stallation of the alternative energy system.

11 (d) The tax credit authorized by this section may also be claimed

12 (1) by the original purchaser of a new home in which the
13 alternative energy system was installed at the time of construction of
14 the new home;

15 (2) by the owners of a building other than a single-family
16 dwelling in which an alternative energy system has been installed in
17 proportion to the interest of each owner in the building.

18 (e) In this section,

19 (1) "alternative energy system" means a source of power
20 generation which is not dependent on a fossil fuel for the supply of
21 energy; the term includes systems for the generation of power from
22 biological, hydroelectric, solar, wind, geothermal and other renewable
23 energy sources;

24 (2) "installed" means placed in position and made operable.

25 * Sec. 2. AS 29.53.060(a) is amended to read:

26 (a) The assessor shall assess property at its full and true value
27 as of January 1 of the assessment year, except as provided in this
28 section and AS 29.53.030, 29.53.033, 29.53.035, and 29.53.160. The full
29 and true value is the estimated price which the property would bring in

1 an open market and under the then prevailing market conditions in a sale
2 between a willing seller and a willing buyer both conversant with the
3 property and with prevailing general price levels.

4 * Sec. 3. AS 29.53 is amended by adding a new section to read:

5 Sec. 29.53.033. ALTERNATIVE ENERGY SYSTEMS. The assessor may not
6 include the value of an alternative energy system for which a credit has
7 been granted under AS 43.20.037 in the assessment of the full and true
8 value of the building in which it is installed.

9 * Sec. 4. AS 45.88.010 is amended to read:

10 Sec. 45.88.010. FUND ESTABLISHED. There is established in the
11 Department of Commerce and Economic Development the alternative tech-
12 nology and power resource revolving loan fund to carry out the purposes
13 of this chapter. Loans made under this chapter may be used

14 (1) to develop means of energy production utilizing energy
15 sources other than fossil or nuclear fuel, including, but not limited
16 to, windmills, water and solar power devices;

17 (2) [. IN ADDITION, LOANS MADE UNDER THIS CHAPTER MAY BE
18 USED] to develop and implement methods of energy production, waste
19 disposal, recycling, food production, transportation, building design,
20 and industrial enterprise which may be more efficient, less costly, and
21 less energy intensive than those methods presently utilized and which
22 are appropriate to the Alaska environment;

23 (3) for residential energy conservation improvement expenses
24 as defined by AS 43.20.039(d). [THE FUND MAY BE USED FOR NO OTHER
25 PURPOSES.]

26 * Sec. 5. AS 45.88.030(a) is amended to read:

27 (a) A loan for the development of an alternative power resource or
28 for the development or implementation of a northern technology under
29 this chapter may not exceed \$10,000. A loan for residential energy con-

1 servation improvement expenses may not exceed \$5,000. With regard to
2 labor costs, a loan for residential energy conservation improvement
3 expenses may include only actual labor costs.

4 * Sec. 6. AS 45.88.030(e) is amended to read:

5 (e) The rate of interest

6 (1) for a loan, other than a loan described in (2) of this
7 subsection, may not exceed nine and one-half percent a year on the
8 unpaid balance of the loan;

9 (2) is zero for a loan the proceeds of which are used for a
10 residential energy conservation improvement expense which qualifies for
11 a credit under AS 43.20.039(d)(4).

12 * Sec. 7. AS 29.33.090(c) is amended by adding a new paragraph to read:

13 (7) encourage efficiency in the use of energy and the sub-
14 stitution of energy from renewable sources for energy from fossil fuels.

15 * Sec. 8. AS 29.33.090 is amended by adding a new subsection to read:

16 (e) A municipality may not exercise its powers under this section
17 to prohibit or restrict the development or use of solar energy.

18 * Sec. 9. AS 29.48.035(14) is amended to read:

19 (14) building, housing and related codes, which may be pro-
20 vided by cities within cities or, in the manner required in (b) or (c)
21 of this section, by first or second class boroughs in the borough area
22 outside cities or areawide, subject to the following: [;]

23 (A) exceptions to requirements of the codes may be made
24 in the codes among other reasons, in order to provide for the
25 preservation, maintenance and protection of historic sites, build-
26 ings and monuments;

27 (B) codes may not be used to prohibit or restrict the
28 development or use of solar energy except if the assembly or council
29 finds that the development or use of solar energy would endanger

1 the health or safety of the public;

2 * Sec. 10. AS 34.15 is amended by adding a new section to article 1 to
3 read:

4 Sec. 34.15.145. SOLAR EASEMENT. (a) An easement obtained for the
5 purpose of exposure of a solar energy device to the direct rays of the
6 sun must be created in writing and is subject to the recording require-
7 ments for other conveyances of real property.

8 (b) An instrument creating a solar easement must include, but is
9 not limited to,

10 (1) the vertical and horizontal angles, expressed in degrees,
11 at which the solar easement extends over the real property subject to
12 the solar easement;

13 (2) any terms or conditions under which the solar easement is
14 granted or under which it will be terminated;

15 (3) any provisions for compensation of the owner of the
16 property benefiting from the solar easement in the event of interference
17 with the enjoyment of the solar easement, or compensation of the owner
18 of the property subject to the solar easement for maintaining the solar
19 easement.

20 (c) For purposes of this section, the term "solar energy device"
21 means a device, mechanism, or apparatus designed to receive the direct
22 rays of the sun and convert those rays into heat, electrical, or other
23 form of energy for the purpose of providing heating, cooling, or elec-
24 trical power.

25 * Sec. 11. AS 44.47.080 is amended to read:

26 Sec. 44.47.080. PLANNING ASSISTANCE TO PLATTING AUTHORITIES. To
27 facilitate [URBAN] planning in municipalities which exercise planning
28 and zoning authority [CITIES AND OTHER POLITICAL SUBDIVISIONS], the
29 department may provide planning assistance, including but not limited to

1 surveys, land-use studies, urban renewal plans, technical services,
2 model acts which include regulations designed to encourage development
3 and use of energy systems not dependent on fossil fuels, and other plan-
4 ning work to a city, borough, or other platting authority. In an area
5 under the jurisdiction, for planning purposes, of a city, borough, or
6 other platting authority, the department may not perform the planning
7 work except at the request or with the consent of the local authority.

8 * Sec. 12. AS 44.33.040 is amended by adding a new paragraph to read:

9 (12) direct the development of use of solar energy in the
10 state, in accordance with AS 44.33.045.

11 * Sec. 13. AS 44.33 is amended by adding a new section to read:

12 Sec. 44.33.045. SOLAR ENERGY DEVELOPMENT. (a) The section of
13 power development shall develop a comprehensive program to encourage the
14 use of reliable solar energy systems in the state. The section shall

15 (1) by regulation, adopt standards for solar energy systems
16 sold in the state; the standards shall be based on the best available
17 information and technology applicable to solar energy systems and on the
18 applicability of solar energy system design to high latitude, cold
19 climate conditions;

20 (2) develop, with the University of Alaska, a continuing
21 professional education program for architects, engineers, and building
22 officials on solar energy systems and solar design and construction
23 methods applicable to the state.

24 (b) In this section, "solar energy system" means equipment which
25 provides for the collection and use of energy from the sun for water
26 heating, space heating or cooling, or other applications substituting
27 solar energy for energy from fossil fuels.

28 * Sec. 14. AS 44.42.020(a) is amended by adding a new paragraph to read:

29 (14) adopt energy performance standards for public facilities

1 of the state, the construction of which begins after January 1, 1983;
2 the standards shall be based on thermal and lighting energy standards
3 established by the American Society of Heating, Refrigeration and Air
4 Conditioning Engineers as adapted to application in high latitude, cold
5 climate environs.

6 * Sec. 15. AS 44.42.055(b)(4)(F) is amended to read:

7 (F) [THE] relative costs of identified alternatives
8 (life cycle cost analysis) including but not limited to the install-
9 ation and operation of energy systems which are not dependent on
10 fossil fuels for water heating and space heating and cooling re-
11 quirements;

12 * Sec. 16. AS 44.42 is amended by adding a new section to read:

13 Sec. 44.42.065. CONSERVATION OF ENERGY IN PUBLIC BUILDINGS. (a)

14 The department shall establish and maintain an energy survey of each
15 existing public building of the state.

16 (b) The department shall include in the report required in (a) of
17 this section recommendations for corrective measures to improve the
18 energy efficiency and to minimize the life-cycle cost of the public
19 buildings surveyed. These measures may include (1) energy conservation
20 measures, (2) measures involving solar technology and other renewable
21 energy resources, and (3) maintenance and operating procedures and
22 energy-related modifications. In recommending the corrective measures,
23 the department shall give priority to changes in maintenance and operat-
24 ing procedures over measures requiring substantial structural modifica-
25 tion or installation of equipment.

26 (c) In this section, "energy survey" means a determination of

27 (1) the energy consumption characteristics of a building,
28 including the size, type, and rate of energy consumption of major energy
29 consuming systems of the building and the climate characterizing the

1 region where the building is located; and

2 (2) a determination of the energy conservation and cost
3 savings likely to result from appropriate energy-conserving maintenance
4 and operating procedures and modifications, including the purchase and
5 installation of energy-related fixtures;

6 * Sec. 17. A report of the results of the first energy survey completed
7 by the Department of Transportation and Public Facilities under AS 44.42.065,
8 added by sec. 16 of this Act, shall be submitted to the legislature not later
9 than January 31, 1982.

10 * Sec. 18. The tax credit allowed by AS 43.20.037, enacted by sec. 1 of
11 this Act, does not apply to an alternative energy system installed after
12 December 31, 1990.

13 * Sec. 19. Section 1 of this Act is retroactive to January 1, 1980, and
14 applies to expenses paid or incurred on or after that date and applies to tax
15 years beginning after December 31, 1979.

16 * Sec. 20. Sections 1 and 16 - 19 of this Act take effect immediately in
17 accordance with AS 01.10.070(c).

18 * Sec. 21. Sections 2 and 3 of this Act take effect January 1, 1981.

19 * Sec. 22. Sections 4 - 15 of this Act take effect July 1, 1980.
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