

Introduced: 4/1/81
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 439

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an energy conservation program for
7 residences and businesses; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 45.89.010 is amended to read:

11 CHAPTER 89. [RESIDENTIAL] ENERGY CONSERVATION FUND.

12 Sec. 45.89.010. FUND ESTABLISHED. There is established in the
13 Department of Commerce and Economic Development the [RESIDENTIAL]
14 energy conservation fund to carry out the purposes of this chapter.
15 Refunds, grants and loans made under this chapter may be used
16 (1) to purchase and [,] construct or [, AND] install an
17 energy conservation improvement or an alternative energy system in a
18 residential or commercial building; or a building owned by a corpora-
19 tion organized under AS 10.20; or

20 (2) to purchase and construct or install an energy conserva-
21 tion improvement or an alternative energy system to be used as part of
22 an agricultural or industrial process [BUILDINGS. THE FUND MAY BE USED
23 FOR NO OTHER PURPOSE].

24 * Sec. 2. AS 45.89 is amended by adding new sections to read:

25 Sec. 45.89.021. REFUNDS AND GRANTS FOR ENERGY CONSERVATION IM-
26 PROVEMENTS IN RESIDENCES. (a) The department may make refunds or
27 grants to purchase and construct or install an energy conservation
28 improvement in a residential building if the applicant demonstrates, on
29 the basis of an energy audit, that the expenditures of the refund or

1 grant for the energy conservation improvement would be exceeded by
2 reduced energy costs attributable to the energy conservation improvement
3 within seven years.

4 (b) A refund or grant made under this section may not exceed the
5 greater of the actual cost of the energy improvement; or

6 (1) \$300 for a single-family dwelling; or

7 (2) \$200 for each unit in a multi-unit residential building.

8 Sec. 45.89.023. REFUNDS AND GRANTS FOR ALTERNATIVE ENERGY IMPROVE-
9 MENTS IN RESIDENCES. (a) The department may make refunds or grants to
10 purchase and construct or install an alternative energy system in a
11 residential building if the alternative energy system, when installed,
12 provides

13 (1) at least 30 percent of the average annual hot water
14 energy needs of the residential building; or

15 (2) at least 10 percent of the average annual thermal,
16 electrical, or mechanical energy needs of the residential building.

17 (b) A refund or grant made under this section may not exceed the
18 greater of

19 (1) 35 percent of the cost of the alternative energy system;
20 or

21 (2) \$3,500.

22 Sec. 45.89.025. GRANTS FOR PROPOSED RESIDENCES. The owner of a
23 proposed residential building may receive a grant for the cost of an
24 energy conservation improvement or alternative energy system to be
25 installed in the residential building.

26 Sec. 45.89.027. ADMINISTRATION OF REFUNDS AND GRANTS. (a) a
27 refund or grant payable under AS 45.89.021 or 45.89.023 shall be claimed
28 not later than one year after the energy conservation improvement or
29 alternative energy system is purchased and installed or constructed.

1 (b) Except as provided in (c) of this section, a refund or grant
2 may be claimed only by the owner of the residential building for which
3 the energy conservation improvement or alternative energy system is
4 purchased and constructed or installed.

5 (c) A person other than the owner of a residential building may
6 apply for a refund or grant under AS 45.89.021 or 45.89.023 if he has
7 purchased and constructed or installed an energy conservation improve-
8 ment or alternative energy system in the building. A refund or grant
9 may be paid under this subsection only if the applicant demonstrates to
10 the satisfaction of the commissioner that the owner of the building
11 received actual notice of the application.

12 (d) The owner of a residential building which is composed of
13 rental units may receive no more than one refund or one grant for each
14 rental unit in the building.

15 (e) The department

16 (1) shall establish procedures for the payment of a refund
17 to an applicant within 30 days of submission to the department of an
18 application if the application is supported by receipts for expenditures
19 for an energy conservation improvement or alternative energy system
20 which complies with the results of an energy audit and by any other
21 information which the department may require;

22 (2) may establish procedures for the payment of a grant to
23 an applicant before the purchase and construction or installation of an
24 energy conservation improvement or an alternative energy system.

25 * Sec. 3. AS 45.89.030(b)(1) is amended to read:

26 (1) an amount, as determined by an energy audit, which is
27 equal to the estimated cumulative [TOTAL] energy cost saving attribut-
28 able to the energy conservation improvement at a date which is 10 years
29 after purchase and [,] construction [,] or installation of the energy

1 conservation improvement; or

2 * Sec. 4. AS 45.89.030(d) is amended to read:

3 (d) A loan made under this chapter may be used to finance
4 [(1)] all of the cost of purchasing, constructing, and instal-
5 ling an energy conservation improvement [; AND

6 (2) THE COSTS OF LABOR FOR THE INSTALLATION OF AN ENERGY
7 CONSERVATION IMPROVEMENT].

8 * Sec. 5. AS 45.89.030(h) is amended to read:

9 (h) Amounts repaid on a loan made under this section shall be
10 deposited to the [RESIDENTIAL] energy conservation fund.

11 * Sec. 6. AS 45.89 is amended by adding new sections to read:

12 Sec. 45.89.033. REFUNDS FOR OTHER ENERGY CONSERVATION IMPROVE-
13 MENTS. (a) The department may make refunds for the purchase and
14 construction or installation of an energy conservation improvement in a
15 commercial or industrial building.

16 (b) A refund made under this section may not exceed the greater
17 of 35 percent of the actual cost of the energy improvement, or \$10,000.

18 Sec. 45.89.035. REFUNDS FOR OTHER ALTERNATIVE ENERGY IMPROVEMENTS.
19 (a) The department may make refunds for the purchase and construction
20 or installation of an alternative energy system in a commercial or
21 industrial building if the alternative energy system, when installed,
22 provides

23 (1) at least 30 percent of the average annual hot water
24 energy needs of the building; or

25 (2) at least 10 percent of the average annual thermal,
26 electrical, or mechanical energy needs of the building.

27 (b) A refund made under this section may not exceed the greater
28 of

29 (1) 35 percent of the cost of purchasing and installing or

1 constructing the alternative energy system; or

2 (2) \$10,000.

3 Sec. 45.89.037. INDUSTRIAL AND AGRICULTURAL PROCESSES. The
4 commissioner shall provide by regulation for the claim of a refund for
5 the purchase and construction or installation of an energy conservation
6 improvement or alternative energy system which is part of an industrial
7 or agricultural process. A refund made under this section may not
8 exceed \$10,000.

9 Sec. 45.89.039. ADMINISTRATION OF REFUNDS. (a) A refund payable
10 under AS 45.89.033 - 45.89.039 shall be claimed not later than one year
11 after the energy conservation improvement or alternative energy system
12 is purchased and installed or constructed.

13 (b) The department shall establish procedures for the payment of
14 a refund to an applicant within 30 days of submission to the department
15 of an application if the application is supported by receipts for
16 expenditures for an energy conservation improvement or alternative
17 energy system which complies with the results of an energy audit and by
18 any other information which the department may require.

19 * Sec. 7. AS 45.89.040 is amended to read:

20 Sec. 45.89.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. The
21 commissioner may sell or transfer

22 (1) at par value or at a premium or discount to any bank or
23 other private purchaser for cash or other consideration the mortgages
24 and notes held by the department as security for loans made under this
25 chapter;

26 (2) at par value to the commissioner of revenue the mort-
27 gages and notes held by the department as security for loans made under
28 this chapter.

29 * Sec. 8. AS 45.89 is amended by adding new sections to read:

1 Sec. 45.89.050. REGULATIONS. The commissioner may adopt regula-
2 tions to carry out the provisions of this chapter.

3 Sec. 45.89.060. INSPECTION. The commissioner may conduct inspec-
4 tions to assure compliance with the provisions of this chapter. An
5 inspection may not be made under this section without reasonable notice
6 to a person whose property is to be inspected.

7 * Sec. 9. AS 45.89.500 is amended by adding a new paragraph to read:

8 (5) "alternative energy system"

9 (A) means a source of thermal, mechanical, or electrical
10 energy which is not dependent on oil or gas for the supply of
11 energy for space heating and cooling, refrigeration and cold
12 storage, electrical power, mechanical power, or the heating of
13 water;

14 (B) includes

15 (i) an alternative energy property as defined by
16 Sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. Sec.
17 48(1)(3)(A));

18 (ii) a method of architectural design and construc-
19 tion which provides for the collection, storage, and use of
20 direct radiation from the sun; and

21 (iii) any other device approved by the commissioner
22 of commerce and economic development under AS 44.33.040(12).

23 * Sec. 10. AS 43.20.037 is repealed and reenacted to read:

24 Sec. 43.20.037. ENERGY CONSERVATION FUND GRANT OR REFUND. A
25 grant or refund provided under AS 45.89.033 - 45.89.039 is exempt from
26 taxation under this chapter.

27 * Sec. 11. AS 45.89.020 is repealed.

28 * Sec. 12. Sections 1 - 9 and 11 of this Act take effect July 1, 1981.

29 * Sec. 13. Section 10 of this Act is retroactive to January 1, 1981, and

1 applies to tax years beginning after December 31, 1980.

2 * Sec. 14. Section 13 of this Act takes effect immediately in accordance
3 with AS 01.10.070(c).

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29