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Referred: Resources and
Finance

1 IN THE SENATE

BY V.FISCHER

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SENATE BILL NO. 413

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - SECOND SESSION

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A BILL

6 For an Act entitled: "An Act establishing the alternative energy business
7 loan fund; and providing for an effective date."

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

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 93. ALTERNATIVE ENERGY BUSINESS LOAN FUND.

11 Sec. 45.93.010. FUND ESTABLISHED. The alternative energy busi-
12 ness loan fund is established in the Department of Commerce and Eco-
13 nomic Development to carry out the purposes of this chapter. Money in
14 the fund may be used for loans to businesses that construct, manufac-
15 ture, install, develop, or sell alternative energy technologies,
16 systems, equipment, or parts.

17 Sec. 45.93.020. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINIS-
18 TERING THE FUND. In administering the fund the department may

19 (1) make a loan to a business under the terms and con-
20 ditions of this chapter;

21 (2) establish eligibility requirements for loans made under
22 this chapter and adopt guidelines for the determination of loan terms;

23 (3) adopt other regulations necessary to administer the
24 fund; and

25 (4) use up to five percent of the money appropriated to the
26 fund to pay for consulting services to assist loan applicants to
27 prepare the business plan required under AS 45.93.030(6).

28 Sec. 45.93.030. TERMS AND CONDITIONS OF LOANS. A loan from the
29 alternative energy business loan fund

- 1 (1) shall be made only to a business in which the control-
2 ling interest is owned by residents of the state;
3 (2) may not exceed \$1,000,000;
4 (3) may not have a term that exceeds 15 years;
5 (4) shall be made at an interest rate of 10 percent;
6 (5) must be secured by collateral acceptable to the depart-
7 ment; and
8 (6) may not be granted unless a business plan, in a form
9 acceptable to the department, is submitted with the loan application
10 and approved by the department.

11 Sec. 45.93.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. The
12 commissioner may sell or transfer at par value or at a premium or
13 discount to any bank or other private purchaser for cash or other
14 consideration the mortgages or notes held by the department as se-
15 curity for loans made under this chapter.

16 Sec. 45.93.500. DEFINITIONS. In this chapter

17 (1) "alternative energy system"

18 (A) means a source of thermal, mechanical or elec-
19 trical energy that is not dependent on oil or gas or a nuclear
20 fuel for the supply of energy for space heating and cooling,,
21 refrigeration and cold storage, electrical power, mechanical
22 power, or the heating of water;

23 (B) includes

24 (i) an alternative energy property as defined by
25 26 U.S.C. 48 (1)(3)(A), (Sec. 301, P.L. 95-618, Internal
26 Revenue Code);

27 (ii) a method of architectural design and con-
28 struction that provides for the collection, storage and use
29 of direct radiation from the sun;

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(iii) a wood stove with a catalytic converter or a catalytic converter for a wood stove;

(iv) a steam, hot water, or ducted hot air central heating system that uses wood or coal for fuel;

(v) an energy conservation improvement, as that term is defined in AS 45.89.500(4);

(vi) a multifuel heating system that uses wood and a fossil fuel or more than one kind of fossil fuel; and

(vii) the conversion of an electrical space or hot water heating system to a natural gas space or hot water heating system if natural gas heating is more cost effective than electrical heating where the proposed conversion is located;

(C) does not include

(i) a stove that uses only wood, coal, or oil for fuel; or

(ii) a fireplace or fireplace insert;

(2) "commissioner" means the commissioner of commerce and economic development;

(3) "department" means the Department of Commerce and Economic Development; and

(4) "fund" means the alternative energy business loan fund.

* Sec. 2. This Act takes effect July 1, 1984.