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Alaska State Legislature

Senate

Committee on Finance

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Ed Dankworth

FROM: Pete Jeans 

RE: Home Improvement & Energy Conservation
Loan Program (SB 729)

DATE: February 9, 1982

As per your request, attached is supporting information
for this program.

PJ;lal

SUMMARY

It becomes obvious after looking at the detailed analysis of the energy loan programs, that the majority of the loans that have been made are for woodstoves, fireplaces, heat pumps etc. The energy loan programs are basically a home improvement program under the title of energy conservation and alternative technology. Most of these loans have been made in areas where the cost of wood for fuel is higher than other available sources of energy. It makes sense to change the program to a home improvement loan program and let the borrower make the improvements he wishes whether it be a new fireplace, woodstove, remodeling or an addition to his home. By offering a reduced interest rate for energy conservation projects, the borrower has an incentive to have an audit performed and do those things which will save on energy cost. The reduced interest rate more than offsets the cost of having an audit performed.

The savings by consolidating these programs is approximately \$5 million.

The Alternative Technology and Energy Revolving Loan Fund; the Residential Energy Conservation Fund; the Child Care Facility Revolving Loan Fund; the Residential Care Facility Revolving Loan Fund; and energy conservation grants will all be replaced by a Home Improvement and Energy Conservation Revolving Loan Fund. The energy audits that are now provided mostly at state expense will be shifted to the private sector. The Non-Conforming Housing Loan program will be moved from the Department of Community and Regional Affairs to the Department of Commerce and Economic Development. The World War II Veterans Fund will be opened to qualified veterans for Home Improvement and Energy Conservation loans. The consolidation of these programs into one agency will eliminate duplication at substantial savings to the state.

A consolidated office will be located in Anchorage, Fairbanks, Juneau, Nome, Bethel, Kotzebue and Dillingham instead of the two or three offices we now have at some of these locations. A toll-free telephone number will be available to residents statewide. One division will administer (1) the Non-Conforming Housing Loans (2) Commercial Fishing Loans (3) Historical District Loans (4) Fisherman's Mortgage & Note Program (5) Bulk Fuel Loans (6) Fisheries Enhancement Loans (7) Mining Loans and (8) Home Improvement & Energy Conservation Loans.

SUMMARY OF RESTRUCTURED PROGRAM

	FY 83 Gov. Request	Proposal
DIVISION OF BUSINESS LOANS		
Operating Budget	2541.2	2541.2
Number of Employees	52	52
DIVISION OF ENERGY, OPERATING		
(1) Energy Administration	858.9	-0-
(2) Energy Grants & Assistance	5901.8	-0-
(3) Field Offices	780.9	-0-
Number of Employees	24	-0-
DIVISION OF HOUSING ASSISTANCE		
Operating Budget	1129.8	1029.8
Number of Employees	16	13
TOTAL OPERATING BUDGET	11212.6	3571.0
TOTAL EMPLOYEES	92	65

CAPITAL BUDGET

DIVISION OF ENERGY		
Grants & Assistance	14078.5	-0-
DIVISION OF HOUSING ASSISTANCE		
Non-Conforming Housing Loans	40500.0	40500.0
DIVISION OF BUSINESS LOANS		
Commercial Fishing Loans	9400.0	9400.0
Residential Care Facilities	80.0	-0-
Child Care Facilities	200.0	-0-
Historical Districts	500.0	500.0
Fishermans Mortgage & Notes	1800.0	1800.0
Bulk Fuel Loans	1000.0	1000.0
Fisheries Enhancement	1500.0	1500.0
Mining	1500.0	1500.0
Residential Energy	4500.0	-0-
Alternative Technology	4000.0	-0-
Home Improvement & Energy Construction	-0-	2500.0
TOTAL CAPITAL	106058.5	108200.0

SUMMARY

OPERATING BUDGET	11212.6	3571.0
CAPITAL BUDGET	106058.5	108200.0
TOTAL	117271.1	111771.0
SAVINGS		5500.1
TOTAL EMPLOYEES	92	65

In addition to the funds appropriated, approximately 3 million will be available to qualified Veterans from the existing World War II fund.

For FY 81 and FY 82, the Legislature appropriated a total of \$39,393,300 to the Division of Energy and Power Development. 91% or \$35,966,000 of these funds were designated for energy audits, grants, assistance and weatherization. In addition to these amounts, \$12,300,000 was appropriated to the Division of Business Loans for energy conservation; and alternative energy and technology loans over the same two year period. This made a total of \$48,266,000 available for energy conservation and alternative technology. For FY 81 the following was accomplished with an authorization of \$14,662,000.

- (1) Weatherization - \$1,570,300 was spent
- (2) Grants & Assistance - \$4,357,200
 - (a) 7,795 energy audits were performed.
 - (b) 2,092 grants were made for a total of \$616,796.
Average grant \$294.84

(3) Residential Energy Conservation Loans
179 loans for \$683,940 (Average grant \$3,821)

(4) Alternative Energy and Technology Loans
459 loans for \$2,312,175 (Average \$5,037)

(a) Woodstoves	172	37%
(b) Fireplaces	52	11%
(c) Heatpumps	13	4%
(d) Convert to Electric	53	12%
(e) Solar	31	7%
(f) Wind	13	3%
(g) Coal	35	8%
(h) Other	85	19%

TOTAL 459

(5) Lapse to the General Fund, \$6,535,000 by the Division of Energy and Power Development. These funds were not available to the Division of Business Loans for loan purposes. All loan funds available to the Division of Business Loans were used for that purpose.

For FY 82 the following has been accomplished in the first 5 months with an appropriation of \$33,604,000.

(1) GRANTS & ASSISTANCE

- (a) 21,374 energy audits performed - \$2,505,604
- (b) 457 auditors trained
- (c) 2,634 grants approved - \$775,245

(2) RESIDENTIAL ENERGY CONSERVATION LOANS

- (a) 238 loans approved - \$903,913

(3) ALTERNATIVE ENERGY & TECHNOLOGY LOANS

490 loans for \$1,987,526

(a) Woodstoves	339	69%
(b) Fireplaces	6	1%
(c) Heat Pump	12	2%
(d) Conversion to Electric	1	-0-
(e) Solar	52	11%
(f) Wind	7	1%
(g) Coal	53	11%
(h) Other	19	4%

Attached is a summary by House and Senate Districts that shows what has been accomplished through the residential energy conservation; and alternative energy and technology programs.

Column written from bottom

1981

Residential & Comm. Losses

AGRICULTURE & RELATED Technology

Prepared By	Initials	Date
Approved By		

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Chapter 10. Veterans.

Article 2. Miscellaneous Provisions.

Section

70. Record of veterans of the armed forces of the United States

Sec. 26.10.070. Record of veterans of the armed forces of the United States. (a) A veteran may record without fee his armed forces report of separation at a recorder's office of the Department of Natural Resources. Each recorder's office shall periodically submit to the bureau of vital statistics copies of the reports of separation which it records.

(b) The bureau of vital statistics shall keep a record from copies of reports received under (a) of this section and from information voluntarily submitted to the bureau by veterans of all persons who are bona fide residents of Alaska and who actively served in the Alaska Territorial Guard, Alaska National Guard, organized reserve units, United States Army, Navy, Air Force, Marine Corps or Coast Guard since April 6, 1917. The record shall contain the name, age and place of residence at the time of entering service, place and date of commission, enlistment or induction, branch of service, record of service and the date, place and nature of discharge. (§ 44-2-2 ACLA 1949; am § 1 ch 75 SLA 1955; am § 2 ch 35 SLA 1981)

Cross references. — As to copies of public records for veterans, see AS 09.25.123.

Effect of amendments. — The 1981 amendment designated the existing section as subsection (b) and added subsection (a). The amendment, in subsection (b), substituted "keep" for "compile" preceding "a record," added "from copies of reports received under (a) of this section and from information voluntarily submitted to the bureau by veterans" preceding "of all persons," substituted "are" for "were" preceding "bona fide residents," deleted

"the territory of" preceding "Alaska," added "Alaska Territorial Guard, Alaska National Guard, organized reserve units" preceding "United States Army," added "Air Force" following "Navy," substituted "Coast Guard since" for "between" preceding "April," deleted "and November 11, 1918" following "April 6, 1917" and deleted the former second sentence which read "The record shall be kept on file at the office of the bureau and shall be available and open to the inspection of anyone desiring to inspect it."

Chapter 15. Veterans Loans.

Section

40. Veterans' loans
70. Sale or transfer of mortgages and notes
100—120. [Repealed]
130. Eligibility for loans

Section

150. [Repealed]
160. Extension of AS 26.15.010 — 26.15.160 to veterans of Korea and Viet Nam
170. [Repealed]

Sec. 26.15.040. Veterans' loans. (a) The commissioner of commerce and economic development may, under regulations and policies adopted by him, make the following loans:

(1) Personal loans may be made for educational, domestic, remote area family housing and other personal purposes, not exceeding \$10,000. The loans shall be secured by acceptable collateral when available but if not available the commissioner may make loans on the basis of good character. The rate of interest may not exceed nine and one-half per cent a year on the unpaid balance.

(2) Repealed by § 77 ch 106 SLA 1980.

(3) Business loans not exceeding \$125,000 may be made to acquire, finance or refinance or equip businesses, including mining and fishing but not including farming, if the loan applicant has had three or more years of general business experience. The loans shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security. The rate of interest may not exceed nine and one-half per cent a year on the unpaid balance.

(4) Multiple dwelling loans not exceeding \$110,000 may be made to purchase, remodel, repair, build, furnish, refinance or equip multiple dwellings. The loans shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security. The rate of interest may not exceed nine and one-half per cent a year on the unpaid balance.

(b) The commissioner of commerce and economic development may enter into agreements with private banks, other lending institutions and individuals for the purpose of guaranteeing loans made to qualified applicants. The guarantees may not exceed 90 per cent of the amount loaned and the loans shall be secured in the same manner provided for direct loans under this section. A loan made under this subsection and guaranteed by the commissioner of commerce and economic development and the state shall bear an interest rate not exceeding nine and one-half per cent a year on the unpaid balance.

(c) No loans authorized by (a)(2), (3) and (4) of this section may be made unless the commissioner of commerce and economic development is satisfied that money at a comparable rate of interest is not available to the applicant from private lending institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for more than one type of loan, but the total may not exceed \$125,000 at any one time.

(d) Money loaned shall be delivered to the borrower in the form of a warrant drawn on the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the Alaska World War II veterans' revolving fund. Each voucher shall be approved by the commissioner of commerce or any bonded deputy authorized to act as a certifying officer. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the Alaska World War II veterans' revolving fund.

the Department of Fish and Game, and the director of the Alaska division of tourism in the Department of Commerce and Economic Development, or their designees, serve as ex officio members of the commission, without a vote. The director of the Alaska division of tourism serves as the board's executive director. (§ 4 ch 207 SLA 1975)

Sec. 44.33.200. Compensation, per diem, or expenses. Members of the Tourism Advisory Board are not entitled to receive compensation for their services, but they shall receive the same travel pay and per diem as provided by law for board members for attendance at a maximum of three meetings each year. (§ 4 ch 207 SLA 1975)

Sec. 44.33.210. Qualifications of public members. The public members of the Tourism Advisory Board shall be persons with experience or interest in the Alaska tourist industry. (§ 4 ch 207 SLA 1975)

Sec. 44.33.220. Duties. The board shall advise the governor and make recommendations regarding the promotion and development of tourism into and inside the state. The board shall submit an annual report to the governor and legislature summarizing its activities and expenses. (§ 4 ch 207 SLA 1975)

Sec. 44.33.230. Organization and cooperation with regional promotion groups. The Tourism Advisory Board may plan for the organization of local tourism promotion groups in the several geographic regions of the state, acquaint these groups with the program of the Alaska division of tourism, receive recommendations from the groups as to the state programming, and encourage the expenditure of private and regional funds for the promotion of tourism to supplement the programs of the state. (§ 4 ch 207 SLA 1975)

Article 6. Child Care Facility Revolving Loan Fund.

Section	Section
240. Child care facility revolving loan fund	260. Eligibility for loans
245. Powers and duties of the department in administering the fund	265. [Repealed]
250. Conditions of loans	270. Sale or transfer of mortgages and notes
255. Loan terms	275. Definitions

Sec. 44.33.240. Child care facility revolving loan fund. There is in the Department of Commerce and Economic Development the child care facility revolving loan fund to carry out the purposes of AS 44.33.240 — 44.33.275. The fund may be used for no other purpose. (§ 9 ch 253 SLA 1976)

Sec. 44.33.245. Powers and duties of the department in administering the fund. (a) The department may

Article 6. Child Care Facility Revolving Loan Fund.

Section	Section.
245. Powers and duties of the department in administering the fund	255. Loan terms
250. [Repealed]	260. Eligibility for loans

Sec. 44.33.245. Powers and duties of the department in administering the fund. (a) The department may

- (1) make loans for the construction, renovation, and equipping of child care facilities, including private nonprofit child care facilities;
- (2) promulgate regulations necessary to carry out the provisions of AS 44.33.240 — 44.33.275.

(b) The department shall

- (1) develop eligibility standards for loans to child care facilities;
- (2) adopt guidelines for the determination of loan terms. (§ 9 ch 253 SLA 1976; am § 1 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, added "including private nonprofit child care facilities" following "child care facilities" in paragraph (1) of subsection (a).

Sec. 44.33.250. Conditions of loans.

Repealed by § 9 ch 112 SLA 1981, effective July 27, 1981.

Editor's notes. — The repealed section derived from § 9, ch. 253, SLA 1976; § 2, ch. 153, SLA 1978.

Sec. 44.33.255. Loan terms. (a) A loan to a child care facility under AS 44.33.240 — 44.33.275 may not exceed \$50,000.

(b) The rate of interest charged shall be seven per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

(d) All principal and interest payments on loans under AS 44.33.240 — 44.33.275 shall be paid into the child care facility revolving loan fund.

(e) If a child care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 9 ch 253 SLA 1976; am § 3 ch 153 SLA 1978; am § 18 ch 72 SLA 1979; am § 2 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, substituted "\$50,000" for "\$30,000, and no more than one loan may be made to a single child care facility under AS 44.33.240 — 44.33.275" in subsection (a).

Sec. 44.33.260. Eligibility for loans. A child care facility is eligible for a loan under AS 44.33.240 — 44.33.275 if

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Section 30. Const- Vote

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Cross ref: the departm maintain cer see AS 41.20 Effective SLA 1981, r June 20, 19 01.10.070(c). Editor's no 1981 provides VETERANS. Department veterans sha Memorial sha Park on a si Highway. (b) The desi chosen by a co (i) the adju who shall serve and

(3) the general policy to require all construction to be under bid contract as contained in AS 35.15.010 may be waived if the contract is to be performed by the state, another governmental entity, or a nonprofit entity. (§ 1 ch 277 SLA 1976)

Sec. 44.33.305. Regulation. The department, after consultation with the Department of Labor, may adopt regulations to implement AS 44.33.285 — 44.33.310. (§ 1 ch 277 SLA 1976)

Sec. 44.33.310. Definitions. In AS 44.33.285 — 44.33.310,

(1) "base period" means any 10 years after 1950, not necessarily continuous, and if the economic disaster is caused by a fisheries failure the period shall consist of years during which a fishery produced at economically representative levels as determined by the Department of Fish and Game;

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

(3) "economic disaster" means that the annual income to workers in the designated area dropped below the average annual income for the base period for workers in the designated area and the drop in income is of such magnitude that the average family income of all residents of the designated area as determined by the department is below the Federal Social Security Administration Poverty Guideline, adjusted by the department to reflect subsistence economic patterns and appropriate cost-of-living differentials; the availability of alternate employment shall be considered in determining whether an economic disaster has occurred under this paragraph. (§ 1 ch 277 SLA 1976)

Article 8. Residential Care Facility Revolving Loan Fund.

<p>Section 290. Residential care facility revolving loan fund 330. Powers and duties of the department in administering the fund 340. Purpose of loans</p>	<p>Section 350. Loan terms 360. Eligibility for loans 370. Sale or transfer of mortgages and notes 380. Definitions</p>
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Sec. 44.33.320. Residential care facility revolving loan fund. There is established in the Department of Commerce and Economic Development a residential care facility revolving loan fund to carry out the purposes of AS 44.33.320 — 44.33.380. The fund may be used for no other purpose. (§ 6 ch 153 SLA 1978)

Sec. 44.33.330. Powers and duties of the department in administering the fund. (a) The department may

(1) make loans for the construction, renovation, and equipping of residential care facilities;

(2) promulgate regulations necessary to carry out the provisions of AS 44.33.320 — 44.33.380.

(b) The department shall

(1) develop eligibility standards for loans to residential care facilities;

(2) adopt guidelines for the determination of loan terms. (§ 6 ch 153 SLA 1978)

Sec. 44.33.340. Purpose of loans. (a) Loans under AS 44.33.320 — 44.33.380 shall be made to enable residential care facilities in the state to comply with the established licensing standards for residential care facilities.

(b) A loan may not be made unless the commissioner is satisfied that the applicant cannot obtain funding from private lending institutions for the construction, renovation or equipping of residential care facilities. (§ 6 ch 153 SLA 1978)

Sec. 44.33.350. Loan terms. (a) The principal amount of a loan to a residential care facility under AS 44.33.320 — 44.33.380 may not exceed \$20,000.

(b) The rate of interest charged shall be seven per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

(d) All principal and interest payments on loans under AS 44.33.320 — 44.33.380 shall be paid into the residential care facility revolving loan fund.

(e) If a residential care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 6 ch 153 SLA 1978; am § 20 ch 72 SLA 1979)

Effect of amendment. — The 1979 amendment substituted "seven per cent" for "six per cent" in subsection (b).

Sec. 44.33.360. Eligibility for loans. A residential care facility is eligible for a loan under AS 44.33.320 — 44.33.380 if

(1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;

(2) the applicant demonstrates that the proposed loan will enable the residential care facility to obtain a license from the Department of Health and Social Service

(3) the applicant has not received over \$10,000 in loans from the fund in the five-year period preceding the application; and

(4) the applicant meets eligibility standards established by the department under AS 44.33.330(b)(1). (§ 6 ch 153 SLA 1978)

Sec. 44.33.370. Sale or transfer of mortgages and notes. (a) The commissioner may sell or transfer at par value or at a premium to a bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter.

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(b) Repealed by § 14 ch 122 SLA 1980. (§ 6 ch 153 SLA 1978; am § 14 ch 122 SLA 1980)

Effect of amendment. — The 1980 amendment repealed subsection (b).

Sec. 44.33.330. Definitions. In AS 44.33.320 — 44.33.380

- (1) "commissioner" means the commissioner of commerce and economic development;
- (2) "department" means the Department of Commerce and Economic Development;
- (3) "residential care facility" means a foster home, group home, or institution which provides 24-hour nonmedical care for dependent adults not related by blood, marriage, or legal adoption to the owner, operator or manager of the facility. (§ 6 ch 153 SLA 1978)

Article 9. Advisory Council on Cultural Facilities.

<p>Section 400. Advisory council on cultural facilities established</p>	<p>Section 405. Travel expenses and per diem 410. Duties</p>
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Sec. 44.33.400. Advisory council on cultural facilities established. (a) There is in the Department of Commerce and Economic Development the Advisory Council on Cultural Facilities.

(b) The council consists of five members, appointed by the governor from a list of candidates provided to him for that purpose by the State Council on the Arts. The members of the council are appointed for overlapping three-year terms, with two of the members first appointed serving three years, two of the members serving two years, and one member serving a term of one year.

(c) The council shall select a chairman and vice-chairman from its membership. (§ 3 ch 62 SLA 1979)

Sec. 44.33.405. Travel expenses and per diem. Members of the Advisory Council on Cultural Facilities are not entitled to receive compensation for their services, but they shall receive per diem and travel expenses allowed by law for members of boards and commissions for attendance at a maximum of four meetings per year. (§ 3 ch 62 SLA 1979)

Sec. 44.33.410. Duties. The Advisory Council on Cultural Facilities shall

- (1) by regulation, establish criteria for ranking applications for grants to municipalities for the purpose of construction or development of cultural facilities under AS 43.18.500; the regulations shall provide for the assignment of priority among applications transmitted by the commissioner of commerce and economic development; the criteria for

(1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;

(2) Repealed by § 9 ch 112 SLA 1981.

(3) Repealed by § 7 ch 153 SLA 1978.

(4) Repealed by § 7 ch 153 SLA 1978.

(5) the applicant meets additional eligibility standards established by the department under AS 44.33.245(b)(1). (§ 9 ch 253 SLA 1976; am §§ 4, 7 ch 153 SLA 1978; am § 9 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, repealed paragraph (2) which read "the applicant demonstrates that the proposed loan will enable the child care facility to

obtain or renew a license from the Department of Health and Social Services or a certificate from the Department of Education."

Chapter 35. Department of Military Affairs.

Section

30. Construction of memorials to Alaska veterans

Sec. 44.35.030. Construction of memorials to Alaska veterans. The Department of Military Affairs may construct memorials to Alaska veterans. A memorial constructed under this section is not subject to AS 35.15.010, 36.15.120 or AS 35.27.010 — 35.27.030. (§ 1 ch 30 SLA 1981)

Cross references. — As to the duty of the department of natural resources to maintain certain memorials to veterans, see AS 41.20.020 (12).

Effective dates. — Section 4, ch. 30, SLA 1981, makes this section effective June 20, 1981, in accordance with AS 01.10.070(c).

Editor's notes. — Section 2, ch. 30, SLA 1981 provides: "MEMORIAL TO ALASKA VETERANS. (a) A memorial to Alaska veterans shall be constructed by the Department of Military Affairs. The memorial shall be located in Denali State Park on a site adjacent to the Parks Highway.

"(b) The design of the memorial shall be chosen by a committee composed of

"(1) the adjutant general of the state, who shall serve as chair of the committee; and

"(2) one veteran selected by the adjutant general from each branch of the military service.

"(c) The memorial authorized by this section

"(1) shall contain suitable recognition of the contributions made by all men and women who have served on active duty in the military service in Alaska;

"(2) shall acknowledge the contribution of Alaskans to America's military history, including but not limited to, honoring the unique contributions made by the Eskimo Scout Battalion of the Alaska Territorial Guard.

"(d) The memorial shall maintained by the division of parks, Department of Natural Resources."

(1) make loans for the construction, renovation, and equipping of child care facilities;

(2) promulgate regulations necessary to carry out the provisions of AS 44.33.240 — 44.33.275.

(b) The department shall

(1) develop eligibility standards for loans to child care facilities;

(2) adopt guidelines for the determination of loan terms. (§ 9 ch 253 SLA 1976)

Sec. 44.33.250. Conditions of loans. (a) Loans under AS 44.33.240 — 44.33.275 shall be made to enable child care facilities in the state to comply with the appropriate licensing standards for child care facilities or to comply with the requirements for certification by the Department of Education.

(b) A loan in excess of \$10,000 must be secured by acceptable collateral with an appraised value of at least 100 per cent of the loan amount. (§ 9 ch 253 SLA 1976; am § 2 ch 153 SLA 1978)

Effect of amendment: — The 1978 amendment rewrote subsection (b).

Sec. 44.33.255. Loan terms. (a) A loan to a child care facility under AS 44.33.240 — 44.33.275 may not exceed \$30,000, and no more than one loan may be made to a single child care facility under AS 44.33.240 — 44.33.275.

(b) The rate of interest charged shall be seven per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

All principal and interest payments on loans under AS 44.33.240 — 44.33.275 shall be paid into the child care facility revolving loan fund.

(e) If a child care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 9 ch 253 SLA 1976; am § 3 ch 153 SLA 1978; am § 18 ch 72 SLA 1979)

Effect of amendments. — The 1978 amendment substituted the language beginning "\$30,000, and no more than one loan" for "\$10,000" at the end of subsection (a). The 1979 amendment substituted "seven per cent" for "six per cent" in subsection (b).

Sec. 44.33.260. Eligibility for loans. A child care facility is eligible for a loan under AS 44.33.240 — 44.33.275 if

(1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;

(2) the applicant demonstrates that the proposed loan will enable the child care facility to obtain or renew a license from the Department of Health and Social Services or a certificate from the Department of Education;

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STATE GOVERNMENT

§ 44.33.275

- (3) Repealed by § 7 ch 153 SLA 1978.
- (4) Repealed by § 7 ch 153 SLA 1978.
- (5) the applicant meets additional eligibility standards established by the department under AS 44.33.245(b)(1). (§ 9 ch 253 SLA 1976; am §§ 4, 7 ch 153 SLA 1978.)

Effect of amendment. — The 1978 amendment inserted "or renew" in paragraph (2) and repealed paragraphs (3) and (4), which read "the applicant is awarded a certificate of need by the Department of Community and Regional Affairs" and "the applicant has not received over \$10,000 in loans from the fund in the five-year period preceding the application; and," respectively.

Sec. 44.33.265. Certificate of need.
 Repealed by § 7 ch 153 SLA 1978.

Editor's note. — The repealed section derived from § 9, ch. 253, SLA 1976.

Sec. 44.33.270. Sale or transfer of mortgages and notes. (a) The commissioner of commerce and economic development may sell or transfer at par value or at a premium to a bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter.

(b) Repealed by § 14 ch 122 SLA 1980. (§ 9 ch 253 SLA 1976; am § 5 ch 153 SLA 1978; am § 19 ch 72 SLA 1979; am § 14 ch 122 SLA 1980)

Effect of amendment. — The 1978 amendment substituted "\$1,000,000" for "\$300,000" at the end of former subsection (b). Deleted "until the current principal amount of all mortgages and notes purchased and held by the Department of Revenue equals \$1,000,000" from the end.

The 1979 amendment in the second sentence of former subsection (b), substituted "may purchase" for "shall purchase" and The 1980 amendment repealed subsection (b).

Sec. 44.33.275. Definitions. In AS 44.33.240 — 44.33.275

(1) "child care facility" means an establishment the principal purpose of which is to provide care for children not related by blood, marriage, or legal adoption, including but not limited to day care centers, family day care homes, and schools for preschool age children;

(2) "department" means the Department of Commerce and Economic Development. (§ 9 ch 253 SLA 1976)

Article 7. Areas Impacted by Economic Disaster.

Section	Section
285. Action by governor	300. Waiver of certain provisions
290. Employment preference	305. Regulations
295. Contractors' preference	310. Definitions

(2) "department" means the Department of Community and Regional Affairs;

(3) "child" means any person below 11 years of age;

(4) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day;

(5) "municipality" includes a home rule, general law and unified municipality, as defined in AS 29.03.010 — 29.95.030;

(6) "child care facility" means an establishment licensed under AS 47.35.010 — 47.35.080, including but not limited to day care centers, family day care homes, and schools for preschool age children, which provides care for children not related by blood, marriage, or legal adoption to the owner, operator, or manager of the facility. (§ 2 ch 66 SLA 1975; am §§ 6 — 8 ch 253 SLA 1976; am §§ 4, 5 ch 272 SLA 1976; am § 2 ch 98 SLA 1977; am § 8 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, added paragraph (6).

Article 9. Division of Housing Assistance.

Section	Section
370. Powers of director	410. Interest on loans
380. Nonconforming housing loan fund	420. Title
385. Eligible locations	430. Restricted title loss reserve account
390. Limitations on use of nonconforming housing loan fund	460. Loan origination and servicing
395. Operating loss reserve account	470. Appraisals
400. Security for loans	490. Assistance by division personnel
	510. Regional allocation

Cross references. — For provisions on the Alaska Housing Finance Corporation, see 18.56.010 — 18.56.210.

Sec. 44.47.370. Powers of director. The director may

(1) adopt regulations in accordance with the Administrative Procedure Act (AS 44.62.010 — 44.62.650) to implement AS 44.47.360 — 44.47.560;

(2) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of his powers and functions under AS 44.47.360 — 44.47.560;

(3) purchase or participate in the purchase of nonconforming housing mortgage loans in accordance with AS 44.47.360 — 44.47.560;

(4) purchase or participate in the purchase of loans for building materials for nonconforming housing in accordance with AS 44.47.360 — 44.47.560;

(5) procure insurance against loss in connection with his functions under AS 44.47.360 — 44.47.560;

(6) acquire real or personal property, or an interest in real or personal property, by purchase, transfer or foreclosure, when the acquisition is necessary or appropriate to protect a loan in which the division has an interest; sell, transfer and convey that property to a buyer; and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;

(7) do all acts necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in AS 44.47.360 — 44.47.560;

(8) originate and service direct loans made to qualified buyers in accordance with AS 44.47.360 — 44.47.560. (§ 73 ch 106 SLA 1980; am § 15 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added paragraph (8).

Sec. 44.47.380. Nonconforming housing loan fund. There is created in the Department of Community and Regional Affairs the nonconforming housing loan fund consisting of money appropriated to it by the legislature. The director shall administer the nonconforming housing loan fund in accordance with AS 44.47.360 — 44.47.560 and shall use the money in the nonconforming housing loan fund to originate, purchase, or participate in the purchase of

- (1) nonconforming housing mortgage loans;
- (2) loans made for building materials for nonconforming housing;
- (3) loans made for renovations or improvements to nonconforming housing;
- (4) loans made for the construction of owner-occupied nonconforming housing other than loans to builders or contractors or loans that compensate an owner for his labor or services in constructing his own housing. (§ 73 ch 106 SLA 1980; am § 6 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originate" preceding "purchase" in the second sentence of the introductory language and added paragraph (4).

Sec. 44.47.385. Eligible locations. (a) The director may make loans from the nonconforming housing loan fund only for nonconforming housing loans to qualified buyers for nonconforming housing.

(b) Not more than 20 percent of the total principal amount of loans made for nonconforming housing may be made in cities of organized

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boroughs and service areas of unified municipalities where the population of the city or service area exceeds 3,500.

(c) For purposes of (b) of this section, population shall be determined with reference to the 1980 preliminary census report as published in "Alaska 1980 Population" and released January 1, 1981, by the Department of Labor.

(d) In allocating money under (b) of this section, if a home proposed for financing is in more than one service area, that home shall be considered to be in the service area with the smallest population. (§ 17, ch 115 SLA 1981)

Effective dates. — Section 52, ch. 115, July 28, 1981, in accordance with AS SLA 1981, makes this section effective 01.10.070(c).

Sec. 44.47.390. Limitations on use of nonconforming housing loan fund. The director may not use the money in the nonconforming housing loan fund to

(1) originate a direct loan or purchase or participate in the purchase of a nonconforming housing mortgage loan which exceeds the limitations on mortgage loans purchased by the Federal National Mortgage Association as to principal amount or loan-to-value ratio;

(2) originate a direct loan or purchase or participate in the purchase of a loan made for building materials for nonconforming housing

(A) which exceeds \$45,000 or exceeds

(i) 80 percent of the appraised value of the work completed on the nonconforming housing for which the loan is made if the nonconforming housing is pledged as collateral for the loan; or

(ii) 90 percent of the value of other property which is pledged as security for the loan and which is satisfactory to the director as collateral;

(B) unless the terms of the loan agreement require inspections and certifications, as required by regulations of the director, at the expense of the borrower; and

(C) unless the period of time allowed for repayment of the loan is equal to or less than 15 years;

(3) originate direct loans or purchase or participate in the purchase of a nonconforming housing mortgage loan which is secured by real property the marketable title to which is shown in accordance with AS 44.47.420(b)(2) if the total amount of outstanding nonconforming housing mortgage loans held by the division exceeds 10 times the amount of money in the restricted title loss reserve account (AS 44.47.430). (§ 73 ch 106 SLA 1980; am § 18 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originate a direct loan or" preceding "purchase or participate" and added "or loan-to-value ratio" in paragraph (1). In

paragraph (2), the amendment added "originate a direct loan or" preceding "purchase or participate," added "\$45,000 or exceeds" in subparagraph (A), and in subparagraph (C), substituted "15 years" for

"the lesser of (i) three years; or (ii) the maximum period of time established by regulation by the director based on the prevailing practice among private financial institutions in the general area in which the loan is made for loans for the purchase of building materials." In para-

graph (3), the amendment added "originate direct loans or" preceding "purchase or participate." The amendment also repealed paragraph (4) which read "purchase or participate in the purchase or construction loans."

Sec. 44.47.395. Operating loss reserve account. (a) There is established in operating loss reserve account for the purpose of meeting legal expenses incurred through the foreclosure of properties acquired by the director under AS 44.47.370(6) and making repairs to these properties so that they may be sold to new buyers.

(b) The operating reserve loss account consists of money appropriated by the legislature. To the extent that money is paid out of the operating loss reserve account for the purposes stated in this section, this money shall be replaced with money received as interest on loans authorized by AS 44.47.010 -- 44.47.998. (§ 19 ch 115 SLA 1981)

Effective dates. — Section 52, ch. 115, July 28, 1981, in accordance with AS SLA 1981, makes this section effective 01.10.070(c).

Sec. 44.47.400. Security for loans. (a) The director shall adopt regulations in accordance with the Administrative Procedure Act (AS 44.62.010 — 44.62.650) establishing acceptable security for loans originated or purchased in whole or in part under AS 44.47.380.

(b) A person may pledge as security for the repayment of a loan originated or purchased in whole or in part under AS 44.47.380 a preference right he holds to receive title to land he occupies as a primary place of residence, primary place of business, subsistence campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to the person by the Native corporation to which the land was granted under section 14 of the Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. secs. 1601 — 1626, as amended by P.L. 94-204) before it may be pledged as security under this subsection. The commissioner of community and regional affairs shall prescribe procedures and standard forms for establishing, pledging, and appraising the value of a preference right held by a person to secure the repayment of a loan originated or purchased in whole or in part under AS 44.47.380. (§ 73 ch 106 SLA 1980; am § 20 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "whole" once in subsection (a) and twice in subsection (b). "originated or" preceding "purchased in

Sec. 44.47.410. Interest on loans. The interest rate on a mortgage loan originated or purchased in whole or in part under AS 44.47.380 is equal to the interest rate, as determined under AS 18.56.098(g)(1) —

(4), on a mortgage loan purchased under AS 18.56.098(g) from the proceeds of the most recent applicable issue of taxable bonds before the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380. (§ 73 ch 106 SLA 1980, am § 21 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, rewrote this section.

Sec. 44.47.420. Title. (a) Before the director originates or purchases a nonconforming housing mortgage loan in whole or in part, the director may require a borrower to show marketable title to real property offered as security for the loan to be purchased.

(b) A borrower may show marketable title to real property for the purposes of (a) of this section

(1) by purchasing title insurance from a title insurance company authorized to do business in the state; or

(2) by delivering to the director a copy of a letter of intent signed by an authorized representative of the United States Department of the Interior which shows the transfer of title to the property from the United States government to the borrower if

(A) the borrower is an Alaska Native; and

(B) title to the property was originally transferred from the United States government, directly or indirectly, to the borrower under federal law.

(c) For the purposes of this section, a deed which federal law prohibits or limits the power to transfer or encumber and which would otherwise constitute marketable title to real property is considered marketable title to real property if the United States Bureau of Indian Affairs or another appropriate federal agency waives immunity under the federal law from foreclosure or other alienation of the real property. (§ 73 ch 106 SLA 1980; am § 22 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originates or" preceding "purchases a nonconforming" in subsection (a).

Sec. 44.47.430. Restricted title loss reserve account. (a) There is established in the division the restricted title loss reserve account. The restricted title loss reserve account consists of money appropriated to it by the legislature and shall be administered by the director.

(b) The director may withdraw money from the restricted title loss reserve account in an amount equal to the loss to the division on a nonconforming housing mortgage loan originated or purchased in whole or in part by the division if marketable title to the real property used to secure the loan was shown in accordance with AS 44.47.420(b)(2). Money withdrawn from the restricted title loss reserve account under this section shall be deposited in the nonconforming

the federal law from foreclosure or other alienation of the real property. (§ 73 ch 106 SLA 1980)

Editor's note. — Section 76, ch. 106, SLA 1980 provides: "By January 21, 1981, the director of the division of housing assistance (AS 44.47.360) shall prepare and submit to the legislature to report on the effect of the marketable title requirements of AS 44.47.420 enacted by sec. 73 of this Act and shall include in the report any recommendations he considers appropriate."

Sec. 44.47.430. Restricted title loss reserve account. (a) There is established in the division the restricted title loss reserve account. The restricted title loss reserve account consists of money appropriated to it by the legislature and shall be administered by the director.

(b) The director may withdraw money from the restricted title loss reserve account in an amount equal to the loss to the division on a nonconforming housing mortgage loan purchased in whole or in part by the division if marketable title to the real property used to secure the loan was shown in accordance with AS 44.47.420(b)(2). Money withdrawn from the restricted title loss reserve account under this section shall be deposited in the nonconforming housing loan fund. (§ 73 ch 106 SLA 1980)

Sec. 44.47.440. Fire insurance. Before purchasing or participating in the purchase of a nonconforming housing mortgage loan, the director may require the borrower to agree to purchase and maintain fire insurance for the real property for which the loan is made in an amount not less than the outstanding principal balance of the loan. (§ 73 ch 106 SLA 1980)

Sec. 44.47.460. Loan servicing. Before purchasing or participating in the purchase of a loan, the director shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased. Under the servicing agreement, the private financial institution shall administer the loan and may charge the division a negotiated fee on the division's share of the loan. The private financial institution may also charge the borrower a reasonable originator fee not to exceed one percent. (§ 73 ch 106 SLA 1980)

Sec. 44.47.470. Appraisals. Before purchasing or participating in the purchase of a nonconforming housing mortgage loan, the director may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. In conducting an appraisal under this section, the appraiser shall give full value to insulation and other features of construction in structures on the real property which add to the energy efficiency of the structures. (§ 73 ch 106 SLA 1980)

Sec. 44.47.475. Energy audit exemption. In making loans under this chapter, the division is exempt from the requirements of AS 46.11.050(b). (§ 73 ch 106 SLA 1980)

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housing loan fund. (§ 73 ch 106 SLA 1980; am § 23 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originated or" preceding "purchased in whole" in the first sentence of subsection (b).

Sec. 44.47.460. Loan origination and servicing. (a) Before purchasing or participating in the purchase of a loan, the director shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased.

(b) The director may execute service agreements with private lending institutions to service loans originated by the division.

(c) Under the servicing agreement, the private financial institution shall administer the loan and may charge the division a negotiated origination or servicing fee on the division's share of the loan. When appropriate, the private financial institution may also charge the borrower a reasonable originator fee not to exceed one percent.

(d) Loan origination and servicing agreements entered into under this section may provide for higher fees for loans made for nonconforming housing located outside of cities of organized boroughs and service areas of unified municipalities that have a population in excess of 3,500, than for other loans made for nonconforming housing. The division may pay a portion of the higher fees. (§ 73 ch 106 SLA 1980; am § 24 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, designated the former first sentence as subsection (a) and the former second and third sentences as subsection (c) and added subsections (b) and (d). In subsection (c), the amendment added "originating or servicing" preceding "fee" in the first sentence and substituted "when appropriate, the" for "the" at the beginning of the second sentence.

Sec. 44.47.470. Appraisals. Before originating or purchasing or participating in the purchase of a nonconforming housing mortgage loan, the director may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. In conducting an appraisal under this section, the appraiser shall give full value to insulation and other features of construction in structures on the real property which add to the energy efficiency of the structures. (§ 73, ch 106 SLA 1980; am § 25 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originating or" preceding "purchasing or participating" near the beginning of the first sentence.

Sec. 44.47.490. Assistance of division personnel. (a) The director may establish field offices under AS 44.47.010 — 44.47.998 may hire one or more lending officers, and may contract for the services of

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- (1) real property appraisers who are familiar with rural construction; and
- (2) engineers who are familiar with engineering problems in arctic and subarctic regions.

(b) The personnel described in (a) of this section may make visits to the regions established under AS 44.47.510(a) to provide preconstruction and post-construction inspections of real property for which loans are originated or purchased by the division in whole or in part under AS 44.47.380 and to provide assistance to private financial institutions and their borrowers in the regions. Authority for final approval of loans may not be exercised by the personnel described in this section. (§ 73 ch 106 SLA 1980; am § 26 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, substituted "may establish field offices under this chapter, may" for "shall" preceding "hire" deleted "at least" following "hire," added "or more" preceding "lending," substituted "officers" for "officer" following "lending" and substituted "may" for "shall" preceding "contract" in the

introductory language of subsection (a). In subsection (b), the amendment substituted "may" for "shall" following "of this section," deleted "regular" preceding "visits," deleted "each of" preceding "the regions established," added "originated or" preceding "purchased by" and added the second sentence of the subsection.

Sec. 44.47.510. Regional allocation. (a) The commissioner of community and regional affairs, by regulations adopted in accordance with the Administrative Procedure Act (AS 44.62.010 — 44.62.650), shall establish and may amend the boundaries of reasonably compact and contiguous regions in the state.

(b) Unless otherwise required by an appropriation, the director shall allocate the money in the nonconforming housing loan fund among the regions established under (a) of this section for the purpose of originating or purchasing each type of loan described in AS 44.47.380. In making an allocation under this subsection, the director shall consider the past and potential lending activity of private financial institutions in the region as well as the need for loans in the region. The director may reallocate the money among the regions as he considers necessary. (§ 73 ch 106 SLA 1980; am § 27 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 28, 1981, added "originating or" preceding "purchasing

each type" in the first sentence of subsection (b).

Article 10. Local Boundary Commission.

Sec. 44.47.583. When boundary change takes effect.

Stated in State, Dep't of Nat'l Resources v. City of Haines, Sup. Ct. Op. No. 2342 (File No. 5067), 627 P.2d 1047 (1981).

Chapter 89. Residential Energy Conservation Fund.

<p>Section 10. Fund established 20. Refunds and grants 30. Loans</p>	<p>Section 40. Sale or transfer of mortgages and notes 500. Definitions</p>
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Sec. 45.89.010. Fund established. There is established in the Department of Commerce and Economic Development the residential energy conservation fund to carry out the purposes of this chapter. Refunds, grants and loans made under this chapter may be used to purchase, construct, and install an energy conservation improvement in residential buildings. The fund may be used for no other purpose. (§ 35 ch 83 SLA 1980)

Sec. 45.89.020. Refunds and grants. (a) The department may make refunds or grants for the purchase, construction, and installation of an energy conservation improvement in a residential building if the person applying for a refund or grant demonstrates, on the basis of an energy audit, that the expenditures of the refund or grant for the purchase, construction or installation of the energy conservation improvement would be exceeded by reduced energy costs attributable to the purchase, construction or installation of the energy conservation improvement within seven years.

(b) A refund or grant made under this section may not exceed:

- (1) \$300 for a single-family dwelling; or
- (2) \$1,000 for each unit in a multi-unit residential building.

(c) The department

(1) shall establish simple procedures for the payment of a refund to an applicant within 30 days of submission to the department of an application by the applicant, if the application is supported by receipts for expenditures which comply with the results of an energy audit;

(2) may establish procedures for the payment of a grant to an applicant before the purchase, construction or installation of an energy conservation improvement. (§ 35 ch 83 SLA. 1980)

Sec. 45.89.030. Loans. (a) The department may make loans for the purchase, construction, and installation of an energy conservation improvement in a residential building.

(b) A loan for the purchase, construction, and installation of an energy conservation improvement under this chapter may not exceed the lesser of

- (1) an amount, as determined by an energy audit, which is equal to the estimated total energy cost saving attributable to the energy conservation improvement at a date which is 10 years after purchase, construction, or installation of the energy conservation improvement;
- or

(2) \$5,000.

(c) A loan for the purchase, construction, and installation of an energy conservation improvement under this chapter may be made for only an energy conservation improvement which has been recommended, in any energy audit, as a measure which is likely to result in energy conservation or energy cost savings.

(d) A loan made under this chapter may be used to finance

(1) all of the cost of purchasing, constructing, and installing an energy conservation improvement; and

(2) the costs of labor for the installation of an energy conservation improvement.

(e) Interest shall be charged on a loan made under this chapter. If a loan is made before January 1, 1984, interest shall be five percent. If the loan is made after December 31, 1983, interest shall equal the percentage of the average weekly yield of municipal bonds for the 12 months preceding the loan, as determined by the commissioner from the municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer.

(f) The duration of repayment of a loan made under this chapter may not exceed 10 years.

(g) The department may require security for a loan under this section. When a loan is made under this section, the department may require the loan applicant to present copies of invoices or billings for expenses which the proceeds of the loan will be used to pay.

(h) Amounts repaid on a loan made under this section shall be deposited to the residential energy conservation fund.

(i) A person who receives a loan under this section and knowingly uses the loan proceeds for purposes other than those set out in (d) of this section is guilty of the crime of misapplication of property under AS 11.46.620. (§ 35 ch 83 SLA 1980)

Sec. 45.89.040. Sale or transfer of mortgages and notes. The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter. (§ 35 ch 83 SLA 1980)

Sec. 45.89.500. Definitions. In this chapter

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

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

(3) "energy audit" means

(A) an energy audit completed under AS 46.11.030;

(B) an energy audit performed under sec. 215(b)(1)(A) of the federal residential energy conservation program of the National Energy Conservation Policy Act 42 U.S.C. 8216(b)(1)(A); or

(C) an energy audit completed before the effective date of this section which has been approved by the commissioner as an audit which fairly demonstrates the energy consumption characteristics of a residence and which indicates likely energy conservation and cost savings measures;

(4) "energy conservation improvement" means

(A) structural insulation;

(B) thermal windows and doors;

(C) a furnace replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency;

(D) a device for modifying flue openings designed to increase the efficiency of operation of the heating system;

(E) an electrical or mechanical furnace ignition system which replaces a gas pilot light;

(F) an automatic energy-saving setback thermostat;

(G) a meter which displays the cost of energy usage;

(H) caulking and weatherstripping of doors and windows;

(I) insulating shades and shutters;

(J) air and water recuperators;

(K) any other energy-saving device approved by the commissioner of commerce and economic development under AS 44.33.040(12). (§ 35 ch 83 SLA 1980)

Chapter 90. Tourism Revolving Fund.

Section

10. Creation of a tourism revolving fund

20. Powers and duties of the Department of Commerce and Economic Development

Section

30. Limitations on loans

40. Sale or transfer of mortgages and notes

Legislative history report. — For report on ch. 171, SLA 1972 (FCCS SCS 617, 618; 1972 House Journal, p. 556. CSHB 312); see 1971 House Journal, pp. 617, 618; 1972 House Journal, p. 556.

Sec. 45.90.010. Creation of a tourism revolving fund. There is created in the Department of Commerce and Economic Development a tourism revolving fund. (§ 1 ch 171 SLA 1972)

Sec. 45.90.020. Powers and duties of the Department of Commerce and Economic Development. (a) The department may

(1) make loans to a business directly involved in the tourist industry;

(2) designate agents and delegate powers to them as is necessary;

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Chapter 11. Conservation of Energy and Materials.

Section	Section
10. Thermal and lighting energy standards for public buildings	50. Financing of energy efficient homes and buildings
20. Training of public building maintenance personnel	60. Recycling of materials by state agencies
30. Energy audits	900. Definitions
40. Applicability of thermal and lighting energy standards to private buildings	

Sec. 46.11.010. Thermal and lighting energy standards for public buildings. (a) All public facilities of the state, the construction of which begins after July 1, 1980, shall be designed to comply with the thermal and lighting energy standards adopted by the Department of Transportation and Public Facilities under AS 44.42.020(a)(14).

(b) By June 30, 1988, all public facilities of the state existing on July 1, 1980 shall be modified, to the extent economically feasible, to comply with the thermal and lighting energy standards adopted by the Department of Transportation and Public Facilities under AS 44.42.020(a)(14). (§ 36 ch 83 SLA 1980)

Editor's notes. — For declaration of legislative policy on energy conservation, see sec. 1, chapter 83, SLA 1980 in the Temporary and Special Acts and Resolves.

Sec. 46.11.020. Training of public building maintenance personnel. Persons responsible for the maintenance of public buildings designed with energy conservation or production features shall be trained by the department in the use and operation of those features. (§ 36 ch 83 SLA 1980)

Sec. 46.11.030. Energy audits. (a) The Department of Commerce and Economic Development shall

- (1) establish criteria for the performance of energy audits of commercial and industrial buildings located in the state;
- (2) establish criteria for the performance of energy audits of residences located in the state;
- (3) develop a program by which to advise persons certified under AS 44.33.040(16) to perform energy audits of contracts to be awarded for performance of energy audits.

(b) The commissioner of commerce and economic development may contract with persons certified under AS 44.33.040(16) to perform energy audits. The commissioner of commerce and economic development may negotiate contracts or make contracts on the basis of competitive bids.

(c) The department may contract with a municipality for the performance of energy audits in the municipality.

(d) A person requesting an energy audit is required to pay for the audit. The fee for an audit of a one- or two-family residence is \$10. The fee for an audit of other residences or of a commercial or industrial building shall be established by regulations adopted, in accordance with the Administrative Procedure Act (AS 44.62.010 — 44.62.650), by the commissioner of commerce and economic development.

(e) The department shall reimburse persons performing energy audits in the state for the cost, in excess of fees received, of performing energy audits. In this subsection "cost" includes administrative cost. (§ 36 ch 83 SLA 1980)

Sec. 46.11.040. Applicability of thermal and lighting energy standards to private buildings. State financial assistance may not be approved or granted for the construction of a new residential or commercial building if construction of the building begins after December 31, 1980, unless

(1) the building is in compliance with thermal and lighting energy standards;

(2) the building is in compliance with the building code of a municipality and the municipal building code meets or exceeds the thermal and lighting energy standards;

(3) the building

(A) is constructed under an exception to the municipal building code granted under AS 29.33.080(g); or

(B) is located or is to be located in an area where thermal and lighting energy standards are not justified because of the high cost of implementation of the standards, as determined under regulations adopted by the commissioner of commerce and economic development; or

(4) the applicant agrees, in writing, that the building will be brought into compliance with thermal and lighting energy standards within one year of conveyance. (§ 36 ch 83 SLA 1980)

Sec. 46.11.050. Financing of energy efficient homes and buildings. (a) After December 31, 1980, a financial institution shall take into consideration the economic benefits of alternative energy systems, life-cycle energy costs, energy efficient building design, and energy conservation when financing homes and buildings with state financial assistance.

(b) After December 31, 1980, a financial institution that makes home mortgage loans with money provided to it by the commissioner of revenue from surplus state general fund investments authorized by AS 37.10.070, or a state agency which makes a direct home mortgage loan to an applicant, shall include estimated heating and lighting costs as determined by an energy audit in standard principal, interest, taxes and insurance calculation of the cost of buying a housing unit. An applicant for a home mortgage loan shall provide the financial institution or the state agency with a copy of an energy audit. (§ 36 ch 83 SLA 1980)

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