

BILLS - 1981 - 1982

HB 6 - SSHB 9

1403

1403

COMMITTEE REPORT
SENATE

5/12/81

FURTHER: Finance

Date: _____

Mr. President:

The Committee on RESOURCES has had HB 6
historical districts and to loans qualifying under the Historical District Loan Act

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- ^{MRJ} do pass [] do not pass
- [] do pass with attached amendments(s)
- [] replace with CS for _____ [] same title [] new title
- and recommends _____
- [] AND attaches a "Letter of Intent" [] New Fiscal Note
- reports it back ^{with individual} without recommendationS
- [] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

1 [Signature]

1 [Signature]

1 [Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 Bob Mulcahy No Pass

2 Don McManus No Pass

1 [Signature]
CHAIRMAN

Introduced: 2/4/81
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 6

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 historical districts and to loans
7 qualifying under the Historical District Loan Act; and
8 providing for an effective date."

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

10 * Section 1. AS 29.48.110(a) is amended to read:

11 (a) In addition to existing municipal authority providing for the
12 preservation, protection, and maintenance of historic sites, the local
13 historical district commission established under AS 29.48.108, in con-
14 sultation with the Historic Sites Advisory Committee within the Depart-
15 ment of Natural Resources, may establish [A] historical districts
16 [DISTRICT] within the boundaries of the municipality.

17 * Sec. 2. AS 45.98.040(2) is amended to read:

18 (2) state participation in a loan for the restoration,
19 improvement, rehabilitation or maintenance of any one building or
20 structure qualifying under this chapter may not exceed \$250,000
21 [\$100,000];

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.
23 070(c).

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

HOUSE BILL NO. 6
By MILLER AND DUNCAN

"An Act relating to historical districts and to loans qualifying under the Historical District Loan Act; and providing for an effective date."

Historical District Loan Act

Introduced in the House 2/4., 19. 81

HISTORY IN THE HOUSE

19 81		Read first time and referred to Committee on																				
Feb. 4		State Affairs and Finance																				
Feb 18		Reported back with recommendation that <i>State Affairs, 3 days to do not pass. To Finance</i>																				
May 8		<i>Finance, 7 days. Debated</i>																				
May 11		Read second time and <i>ado</i>																				
May 11		Read third time and																				
May 11		<table border="0"> <tr> <td>PASS <i>ad</i></td> <td>Effective Date</td> </tr> <tr> <td>Yeas 3.2</td> <td>Yeas</td> </tr> <tr> <td>Nays 4</td> <td>Nays <i>same</i></td> </tr> <tr> <td>Absent 4</td> <td>Absent</td> </tr> <tr> <td>Excused <i>not voting</i></td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS <i>ad</i>	Effective Date	Yeas 3.2	Yeas	Nays 4	Nays <i>same</i>	Absent 4	Absent	Excused <i>not voting</i>	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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PASS	Effective Date																					
Yeas	Yeas																					
Nays	Nays																					
Absent	Absent																					
Excused	Excused																					
5 11		Reported correctly engrossed																				
5 11		Signed by Speaker																				
5 11		Sent to Senate																				
<i>Isaac Chastain</i>																						
CHIEF CLERK OF THE HOUSE																						

HISTORY IN THE SENATE

19 81		Read first time and referred to Committee on																				
5 12		<i>Re - Sen</i>																				
6 4		Reported back with recommendation that <i>do pass</i> <i>2 no rec. to Finance</i>																				
		Read second time and																				
		Read third time and																				
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		Signed by President																				
		Returned to House																				
SECRETARY OF THE SENATE																						

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor by Governor
		Filed with Lt. Governor
		Chapter No.

CORRECTION

HOUSE BILL NO. 6

Technical error corrected. Please discard all other
copies of this Bill.

Introduced: 2/4/81
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 6

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 historical districts and to loans
7 qualifying under the Historical District Loan Act; and
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 29.48.110(a) is amended to read:

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19 improvement, rehabilitation or maintenance of any one building or
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21 [\$100,000];

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

24
25
26
27
28
29

HB 6

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 6
 Title An Act relating to historical districts and to loans qualifying under the
 Requested by Historical District Loan Act. Date _____

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Business Loans
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill would have no fiscal impact on this BRU.

IV. DATE February 10, 1981 PREPARED BY Sharon Traylor, Director
 AGENCY Department of Commerce & Economic Development
 PHONE 465-2510 Division of Business Loans

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

HOUSE

2/18/81

FURTHER:

(11)

Date: May 7, 1981

Mr. Speaker:

The Committee on FINANCE has had HB 6

"An Act relating to historical districts and to loans qualifying under the Historical District Loan Act; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

CHAIRMAN

CORRECTION

HOUSE BILL NO. 6

Technical error corrected. Please discard all other copies of this Bill.

Introduced: 2/4/81
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

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700 GRANTS, CLAIMS, ETC.						
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FUNDING (Thousands of Dollars)

<u>GENERAL FUND</u>						
<u>FEDERAL FUNDS</u>						
<u>OTHER (Specify Fund Source)</u>						

POSITIONS

<u>FULL TIME</u>						
<u>PART TIME</u>						
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill would have no fiscal impact on this BRU.

IV. DATE February 10, 1981 PREPARED BY Sharon Traylor, Director
 AGENCY Department of Commerce & Economic Development
 PHONE 465-2510 Division of Business Loans
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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Introduced: 2/4/81
Referred: State Affairs
and Finance

1 IN THE HOUSE

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21 [\$100,000];

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23 070(c).

COMMITTEE REPORT

HOUSE

4/12/82

FURTHER:

(11)

Date: _____

Mr. Speaker: (Taken from Rules 4/8/82)

The Committee on FINANCE has had HB 8

under consideration and reports it back as follows:

do pass do not pass

do pass with attached amendments(s)

replace with CS for _____ same title
 new title

and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

COMMITTEE REPORT

HOUSE

4/1

(7)

FURTHER:

Rule

3/18/82

Date:

Mar. 31, 82

Mr. Speaker:

The Committee on JUDICIARY has had HB 8

"An Act providing for the management and control of certain land in the state; and providing for an effective date."

under consideration and ~~(a-majority-of-the-committee)-(the-committee)-~~ reports it back with the following recommendations:

[] do pass [] do not pass

[] do pass with attached amendments(s)

[X] replace with CS for HB 8 (Judiciary) same title new title
and recommends _____

[X] AND attaches a "Letter of Intent" New Fiscal Note

[X] reports it back without ~~recommendation~~ none

[] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Demetrius Barnes, Ch.

MEMBERS HAVING OTHER RECOMMENDATIONS:

Charles Anderson No Rec
T. Buchholdt - No Rec
Freeman No Rec
P. D. E. Reed - Do Pass upon voter approval

Demetrius Barnes
CHAIRMAN

COMMITTEE REPORT

3/18

HOUSE

2/2⁴/81

FURTHER: JUDICIARY

(11)

Date: March 16, 1982

Mr. Speaker:

The Committee on RESOURCES has had HB 8

"An Act providing for the management and control of certain land in the state; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendations *individual as follows.*
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Ken Fanning *Ch*

Barry D. Barnes *Barnes*

James Carney

Jim Sutcliffe *NO REC*

Anthony Vasler *Do Not Pass*

Ken Fanning
CHAIRMAN

Brodley

Original sponsors: Randolph and Bettisworth

Offered: 4/1/32
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 8 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the management and control of
7 certain land in the state."

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

9 * Section 1. FINDINGS AND INTENT. The legislature finds that

10 (1) the intent of the Constitution of the United States was to
11 grant to each of the states sovereignty over all matters within its bound-
12 aries except for those powers specifically granted to the United States as
13 agent of the states;

14 (2) the requirement in the Statehood Act that the State of Alaska
15 and its people "disclaim all right and title to any lands or other property
16 not granted or confirmed to the state or its political subdivisions by or
17 under the authority of this Act, the right or title to which is held by the
18 United States or is subject to disposition by the United States," as a con-
19 dition precedent to acceptance of Alaska into the Union, was an act beyond
20 the power of the Congress of the United States and is thus void;

21 (3) the purported right of ownership and control of the public
22 land in the State of Alaska by the United States is without foundation and
23 violates the clear intent of the Constitution of the United States; and

24 (4) the exercise of domination and control of the public land in
25 the State of Alaska by the United States works a severe, continuous, and
26 debilitating hardship upon the people of the State of Alaska.

27 * Sec. 2. AS 38.05 is amended by adding new sections to read:

28 Sec. 38.05.510. MANAGEMENT. (a) The department shall manage the
29 land in accordance with this chapter, except insofar as that management

COMMITTEE COPY

-1-

CSHB 8(Jud)

Jud Letter Sent

1 is inconsistent with the provisions of AS 38.05.500 - 38.05.560.

2 (b) The department shall manage the land in an orderly and bene-
3 ficial manner.

4 (c) The department may adopt, in accordance with the Administra-
5 tive Procedure Act (AS 44.62), regulations governing the management of
6 the land. A regulation adopted under this subsection is not effective
7 until approved by a concurrent resolution adopted by a vote of both
8 houses of the legislature.

9 (d) The department may sell, lease, exchange, or encumber the land
10 when specifically authorized to do so by law and under the terms and
11 conditions established by law.

12 Sec. 38.05.520. PROPERTY OF THE PEOPLE. On the effective date of
13 this Act, all land in the state and all minerals not previously appro-
14 priated are the exclusive property of the people of the state and the
15 state holds title to the land and minerals in trust for the people of
16 the state, subject to valid existing rights of applicants for land.

17 Sec. 38.05.530. TREATIES AND COMPACTS. Land in the state which,
18 on the effective date of this Act, is administered by the United States
19 under international treaties and interstate compacts shall be admin-
20 istered by the department in conformity with those treaties and com-
21 pacts.

22 Sec. 38.05.540. PROCEEDS TO THE GENERAL FUND. The proceeds of
23 sales, fees, rents, royalties, or other receipts from the land paid to
24 the state under the provisions of AS 38.05.500 - 38.05.560 shall be
25 deposited in the general fund.

26 Sec. 38.05.550. EXCLUSIVE ENFORCEMENT. (a) The state has exclu-
27 sive jurisdiction to enforce the provisions of AS 38.05.500 - 38.05.560.

28 (b) An individual may institute a civil action to recover damages
29 on behalf of the state for injury or loss sustained as the result of a

1 violation of the provisions of AS 38.05.500 - 38.05.560 or for the
2 failure of the state to enforce its trust responsibilities to the people
3 of the state.

4 (c) An individual who, under color of federal law, performs manage-
5 ment functions allocated to the department under AS 38.05.510 on the
6 land is, upon conviction, guilty of a felony and is punishable by impri-
7 sonment for not less than two years nor more than ten years.

8 (d) A corporation which, under color of federal law, performs
9 management functions allocated to the department under AS 38.05.510 on
10 the land is, upon conviction, guilty of a felony and is punishable by a
11 fine of not more than \$5,000.

12 Sec. 38.05.560. DEFINITIONS. In AS 38.05.500 - 38.05.560 "land"
13 means all land within the exterior boundaries of the State of Alaska
14 except land and water

15 (1) to which title is held by a private person or entity;

16 (2) to which title is held by the state or a municipality on
17 the effective date of this Act;

18 (3) which is controlled by the United States Department of
19 Defense or the Alaska Power Administration on the effective date of this
20 Act;

21 (4) which is within the Annette Island Indian Reserve;

22 (5) which has been selected by a regional or village corpora-
23 tion under the Alaska Native Claims Settlement Act of 1971;

24 (6) which is located in Mt. McKinley National Park and
25 national monuments established before January 1, 1977.
26
27
28
29

Guthrie
12-0136

Introduced: 2/4/81
Referred: Resources and
Judiciary

1 IN THE HOUSE BY RANDOLPH AND BETTISWORTH

2 HOUSE BILL NO. 8

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the management and control of
7 certain land in the state; and providing for an effec-
8 tive date."

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

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14 agent of the states;

15 (2) the requirement in the Statehood Act that the State of Alaska
16 and its people "disclaim all right and title to any lands or other property
17 not granted or confirmed to the state or its political subdivisions by or
18 under the authority of this Act, the right or title to which is held by the
19 United States or is subject to disposition by the United States," as a
20 condition precedent to acceptance of Alaska into the Union, was an act
21 beyond the power of the Congress of the United States and is thus void;

22 (3) the purported right of ownership and control of the public
23 land in the State of Alaska by the United States is without foundation and
24 violates the clear intent of the Constitution of the United States; and

25 (4) the exercise of domination and control of the public land in
26 the State of Alaska by the United States works a severe, continuous, and
27 debilitating hardship upon the people of the State of Alaska.

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29 Sec. 38.05.510. MANAGEMENT. (a) The department shall manage the

1 land in accordance with this chapter, except insofar as that management
2 is inconsistent with the provisions of AS 38.05.500 - 38.05.560.

3 (b) The department shall manage the land in an orderly and bene-
4 ficial manner.

5 (c) The department may adopt, in accordance with the Administra-
6 tive Procedure Act (AS 44.62), regulations governing the management of
7 the land. A regulation adopted under this subsection is not effective
8 until approved by a concurrent resolution adopted by a vote of both
9 houses of the legislature.

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11 land when specifically authorized to do so by law and under the terms
12 and conditions established by law.

13 Sec. 38.05.520. PROPERTY OF THE PEOPLE. On the effective date of
14 this Act, all land in the state and all minerals not previously appro-
15 priated are the exclusive property of the people of the state and the
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4 people of the state.

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7 the land is, upon conviction, guilty of a felony and is punishable by
8 imprisonment for not less than two years nor more than ten years.

9 (d) A corporation which, under color of federal law, performs
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17 (2) to which title is held by the state or a municipality on
18 the effective date of this Act;

19 (3) which is controlled by the United States Department of
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21 this Act;

22 (4) which is within the Annette Island Indian Reserve;

23 (5) which has been selected by a regional or village corpora-
24 tion under the Alaska Native Claims Settlement Act of 1971;

25 (6) which is located in Mt. McKinley National Park and
26 national monuments established before January 1, 1977.

27 * Sec. 3. This Act takes effect July 1, 1983, if an amendment to the
28 Constitution of the State of Alaska revoking the state's disclaimer of
29 rights to land not granted or confirmed to the state under authority of the

1 Act admitting Alaska to the Union is approved by the voters at a general
2 election held in November 1982.

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Alaska State Legislature

CHAIRMAN
HOUSE JUDICIARY COMMITTEE
MEMBER
HOUSE RESOURCES COMMITTEE
HOUSE POLICY COMMITTEE
ALASKA REPRESENTATIVE
STATES RIGHTS COORDINATING COUNCIL
WESTERN LANDS TASK FORCE
CITIZENS ADVISORY COMMISSION
ON ALASKA LANDS
FINANCE SUBCOMMITTEES
PUBLIC PROTECTION, JUSTICE
& EDUCATION



House of Representatives

REPRESENTATIVE
RAMONA L. BARNES

ANCHORAGE
2230 PAXSON
ANCHORAGE, ALASKA 99504
(907) 337-7904
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3797

April 1, 1982

The Honorable Joe Hayes
Speaker, House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Speaker Hayes:

The House Judiciary Committee considered House Bill 8 on March 31, 1982 and subsequently adopted a Judiciary Committee substitute for the original Bill.

The original HB8 had a 22 million dollar fiscal note based on section 3 of the Bill. The amended Bill which the Judiciary Committee has adopted deletes Section 3 of the Bill which consequently nullifies the 22 million dollar fiscal note.

Based on this information, the Chairman of the Judiciary Committee has determined to deny the Department of Natural Resources fiscal note and refer CSHB8 (Jud) to Rules Committee for further consideration.

Sincerely,

A handwritten signature in cursive script that reads "Ramona L. Barnes".

Ramona L. Barnes
Chairman, House Judiciary Committee

RLB/rv

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 3
Title Providing for Management & Control of State Land
Requested by House Resources Date 3-25-82

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected NRMFC
BRU, Program, Or Subprogram(s) Affected See below
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		22,000	ESTIMATE			

FUNDING (Thousands of Dollars)

GENERAL FUND		22,000				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		250	ESTIMATE			
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

If the constitutional amendment described in Section 3 of the bill passes, the Department would have management authority over approximately 200 million acres of existing federal lands. The Department currently manages approximately 50 million acres of patented and tentatively apportioned state lands; the state's land entitlement is 102 million acres. The estimate described above is based on the fact the state would assume responsibility for mining claims, fire protection, water adjudication, oil and gas leasing, timber sales and general land use (disposals, leases, etc.) on the newly acquired lands. The figure given is a rough estimate - the exact figure would depend on the timing of the transfer and legislative and executive policy on management of the lands. (For comparative purposes, the U.S. Forest Service spends over \$90 million a year and employs 1200 people to manage the 23 million acres in Alaska for which that agency is responsible.)

IV. DATE 3-25-82

PREPARED BY Mark Wittow

AGENCY DMR

PHONE 465-2400

Original: Legislative Finance
cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

12-0136
Handwritten notes

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

HOUSE BILL NO. 3
 By RANJOLPH AND BETTISWORTH

"An Act providing for the management and control of certain land in the state; and providing for an effective date."

Management and control of certain land in the state.

Introduced in the House 2/4, 19...81

HISTORY IN THE HOUSE

19 81	Read first time and referred to Committee on Resources and Judiciary												
Feb 4	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
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	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
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Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
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	Reported correctly engrossed Signed by President Returned to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 2/4/81
Referred: Resources and
Judiciary

1 IN THE HOUSE

BY RANDOLPH AND BETTISWORTH

2 HOUSE BILL NO. 8

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the management and control of
7 certain land in the state; and providing for an effec-
8 tive date."

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

10 * Section 1. FINDINGS AND INTENT. The legislature finds that

11 (1) the intent of the Constitution of the United States was to
12 grant to each of the states sovereignty over all matters within its bound-
13 aries except for those powers specifically granted to the United States as
14 agent of the states;

15 (2) the requirement in the Statehood Act that the State of Alaska
16 and its people "disclaim all right and title to any lands or other property
17 not granted or confirmed to the state or its political subdivisions by or
18 under the authority of this Act, the right or title to which is held by the
19 United States or is subject to disposition by the United States," as a
20 condition precedent to acceptance of Alaska into the Union, was an act
21 beyond the power of the Congress of the United States and is thus void;

22 (3) the purported right of ownership and control of the public
23 land in the State of Alaska by the United States is without foundation and
24 violates the clear intent of the Constitution of the United States; and

25 (4) the exercise of domination and control of the public land in
26 the State of Alaska by the United States works a severe, continuous, and
27 debilitating hardship upon the people of the State of Alaska.

28 * Sec. 2. AS 38.05 is amended by adding new sections to read:

29 Sec. 38.05.510. MANAGEMENT. (a) The department shall manage the

1 land in accordance with this chapter, except insofar as that management
2 is inconsistent with the provisions of AS 38.05.500 - 38.05.560.

3 (b) The department shall manage the land in an orderly and bene-
4 ficial manner.

5 (c) The department may adopt, in accordance with the Administra-
6 tive Procedure Act (AS 44.62), regulations governing the management of
7 the land. A regulation adopted under this subsection is not effective
8 until approved by a concurrent resolution adopted by a vote of both
9 houses of the legislature.

10 (d) The department may sell, lease, exchange, or encumber the
11 land when specifically authorized to do so by law and under the terms
12 and conditions established by law.

13 Sec. 38.05.520. PROPERTY OF THE PEOPLE. On the effective date of
14 this Act, all land in the state and all minerals not previously appro-
15 priated are the exclusive property of the people of the state and the
16 state holds title to the land and minerals in trust for the people of
17 the state, subject to valid existing rights of applicants for land.

18 Sec. 38.05.530. TREATIES AND COMPACTS. Land in the state which,
19 on the effective date of this Act, is administered by the United States
20 under international treaties and interstate compacts shall be admin-
21 istered by the department in conformity with those treaties and com-
22 pacts.

23 Sec. 38.05.540. PROCEEDS TO THE GENERAL FUND. The proceeds of
24 sales, fees, rents, royalties, or other receipts from the land paid to
25 the state under the provisions of AS 38.05.500 - 38.05.560 shall be
26 deposited in the general fund.

27 Sec. 38.05.550. EXCLUSIVE ENFORCEMENT. (a) The state has exclu-
28 sive jurisdiction to enforce the provisions of AS 38.05.500 - 38.05.560.

29 (b) An individual may institute a civil action to recover damages

1 on behalf of the state for injury or loss sustained as the result of a
2 violation of the provisions of AS 38.05.500 - 38.05.560 or for the
3 failure of the state to enforce its trust responsibilities to the
4 people of the state.

5 (c) An individual who, under color of federal law, performs
6 management functions allocated to the department under AS 38.05.510 on
7 the land is, upon conviction, guilty of a felony and is punishable by
8 imprisonment for not less than two years nor more than ten years.

9 (d) A corporation which, under color of federal law, performs
10 management functions allocated to the department under AS 38.05.510 on
11 the land is, upon conviction, guilty of a felony and is punishable by a
12 fine of not more than \$5,000.

13 Sec. 38.05.560. DEFINITIONS. In AS 38.05.500 - 38.05.560 "land"
14 means all land within the exterior boundaries of the State of Alaska
15 except land and water

16 (1) to which title is held by a private person or entity;

17 (2) to which title is held by the state or a municipality on
18 the effective date of this Act;

19 (3) which is controlled by the United States Department of
20 Defense or the Alaska Power Administration on the effective date of
21 this Act;

22 (4) which is within the Annette Island Indian Reserve;

23 (5) which has been selected by a regional or village corpora-
24 tion under the Alaska Native Claims Settlement Act of 1971;

25 (6) which is located in Mt. McKinley National Park and
26 national monuments established before January 1, 1977.

27 * Sec. 3. This Act takes effect July 1, 1983, if an amendment to the
28 Constitution of the State of Alaska revoking the state's disclaimer of
29 rights to land not granted or confirmed to the state under authority of the

1 Act admitting Alaska to the Union is approved by the voters at a general
2 election held in November 1982.

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Original sponsors: Randolph and Bettisworth

Offered: 4/1/82
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 8 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act providing for the management and control of
7 certain land in the state."

8

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

9

* Section 1. FINDINGS AND INTENT. The legislature finds that

10

(1) the intent of the Constitution of the United States was to

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grant to each of the states sovereignty over all matters within its bound-
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13 agent of the states;

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16 not granted or confirmed to the state or its political subdivisions by or
17 under the authority of this Act, the right or title to which is held by the
18 United States or is subject to disposition by the United States," as a con-
19 dition precedent to acceptance of Alaska into the Union, was an act beyond
20 the power of the Congress of the United States and is thus void;

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26 debilitating hardship upon the people of the State of Alaska.

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* Sec. 2. AS 38.05 is amended by adding new sections to read:

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Sec. 38.05.510. MANAGEMENT. (a) The department shall manage the

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land in accordance with this chapter, except insofar as that management

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2 (b) The department shall manage the land in an orderly and bene-
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4 (c) The department may adopt, in accordance with the Administra-
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6 the land. A regulation adopted under this subsection is not effective
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15 state holds title to the land and minerals in trust for the people of
16 the state, subject to valid existing rights of applicants for land.

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18 on the effective date of this Act, is administered by the United States
19 under international treaties and interstate compacts shall be admin-
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1 violation of the provisions of AS 38.05.500 - 38.05.560 or for the,
2 failure of the state to enforce its trust responsibilities to the people
3 of the state.

4 (c) An individual who, under color of federal law, performs manage-
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17 the effective date of this Act;

18 (3) which is controlled by the United States Department of
19 Defense or the Alaska Power Administration on the effective date of this
20 Act;

21 (4) which is within the Annette Island Indian Reserve;

22 (5) which has been selected by a regional or village corpora-
23 tion under the Alaska Native Claims Settlement Act of 1971;

24 (6) which is located in Mt. McKinley National Park and
25 national monuments established before January 1, 1977.
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Alaska State Legislature

CHAIRMAN
HOUSE JUDICIARY COMMITTEE
MEMBER
HOUSE RESOURCES COMMITTEE
HOUSE POLICY COMMITTEE
ALASKA REPRESENTATIVE
STATES RIGHTS COORDINATING COUNCIL
WESTERN LANDS TASK FORCE
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ON ALASKA LANDS
FINANCE SUBCOMMITTEES
PUBLIC PROTECTION, JUSTICE
& EDUCATION



House of Representatives

REPRESENTATIVE
RAMONA L. BARNES

ANCHORAGE
2230 PAXSON
ANCHORAGE, ALASKA 99504
(907) 337-7904
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3797

April 1, 1982

The Honorable Joe Hayes
Speaker, House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Speaker Hayes:

The House Judiciary Committee considered House Bill 8 on March 31, 1982 and subsequently adopted a Judiciary Committee substitute for the original Bill.

The original HB8 had a 22 million dollar fiscal note based on section 3 of the Bill. The amended Bill which the Judiciary Committee has adopted deletes Section 3 of the Bill which consequently nullifies the 22 million dollar fiscal note.

Based on this information, the Chairman of the Judiciary Committee has determined to deny the Department of Natural Resources fiscal note and refer CSHB3 (Jud) to Rules Committee for further consideration.

Sincerely,

A handwritten signature in cursive script that reads "Ramona L. Barnes".

Ramona L. Barnes
Chairman, House Judiciary Committee

RLB/rv

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 3
Title Providing for Management & Control of State Land
Requested by House Resources Date 3-25-82

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected NRMFC
BRU, Program, Or Subprogram(s) Affected See below
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		22,000	ESTIMATE			

FUNDING (Thousands of Dollars)

GENERAL FUND		22,000				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		250	ESTIMATE			
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

If the constitutional amendment described in Section 3 of the bill passes, the Department would have management authority over approximately 200 million acres of existing federal lands. The Department currently manages approximately 50 million acres of patented and tentatively proposed state lands; the state's land entitlement is 102 million acres. The estimate described above is based on the fact the state would assume responsibility for mining claims, fire protection, water adjudication, oil and gas leasing, timber sales and general land use (disposals, leases, etc.) on the newly acquired lands. The figure given is a rough estimate - the exact figure would depend on the timing of the transfer and legislative and executive policy on management of the lands. (For comparative purposes, the U.S. Forest Service spends over \$90 million a year and employs 1200 people to manage the 23 million acres in Alaska for which that agency is responsible.)

IV. DATE 3-25-82 PREPARED BY Mark Wittow
AGENCY DMR
PHONE 465-2400
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

1108

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 8 (Judiciary)
 Title Providing for Management & Control of State Land
 Requested by House Judiciary Date 4/5/82

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected NRMFC
 BRU, Program, or Subprogram(s) Affected See below
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY ⁸³ 83	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		22,000	ESTIMATE			

FUNDING (Thousands of Dollars)

GENERAL FUND		22,000	ESTIMATE			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		250	ESTIMATE			
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

CSHB 8 would grant to the Department management authority over approximately 200 million acres of existing federal lands. The Department currently manages approximately 50 million acres of patented and tentatively approved state lands; the State's land entitlement is 102 million acres. The estimate described above is based on the fact the state would assume responsibility for mining claims, fire protection, water adjudication, oil and gas leasing, timber sales and general land use (disposals, leases, etc.) on the newly acquired lands. The figure given is a rough estimate - the exact figure would depend on legislative and executive policy for management of the lands. (For comparative purposes, the U.S. Forest Service spends over \$90 million a year and employs 1200 people to manage the 23 million acres in Alaska for which that agency is responsible; the U.S. Bureau of Land Management spends over \$40 million a year and employs 1000 people to manage the 65 million acres under its jurisdiction in Alaska.) This fiscal note does not include an estimate of the revenues which would be received under AS 38.05.540 of the Act; nor does it consider the costs incurred by other state agencies as a result of state acquisition of the federal domain.

IV. DATE 4/5/82 PREPARED BY Mark Wittow
 AGENCY DNR Mark Wittow
 PHONE 465-2400
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT
HOUSE

4/20/81

FURTHER:

(11)

Date: May 12 1981

Mr. Speaker: (Finance referral added 4/20)

The Committee on FINANCE has had SSUE 2

"An Act relating to departments and programs of state government which are concerned with energy; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSUE 2 same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signatures]

[Handwritten signature]
CHAIRMAN

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 18, 1981

SUBJECT: CSSSHB 9 (Finance)
TO: Representative Samuel R. Cotten
FROM: John B. Chenoweth
Legislative Council

At page 5 and again on page 14, the committee deleted "election district" and inserted "region". What was intended by "region"? A definition or cross-reference would be helpful.

JBC:ljb

Enclosure

Original sponsors: Rogers and Buchholdt

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance)

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 energy; and providing for an
7 effective date."

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

9 * Section 1. AS 37.12.125(6) is amended to read:

10 (6) "renewable resource" means

11 (A) non-human living organisms;

12 (B) natural components of the environment, including
13 the air, land, and water; [AND]

14 (C) energy systems which are naturally recurring or
15 replenished; and

16 (D) energy conservation technologies and recyclable
17 wastes.

18 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

19 (ii) a method of architectural design and construc-
20 tion which provides for the collection, storage and use of
21 direct radiation from the sun or which provides for the re-
22 retention of heat by the use of an amount or quality of insula-
23 tion which exceeds the amount or quality of insulation re-
24 quired by building performance standards adopted by the
25 Alaska Energy Center under AS 46.12.120; and

26 * Sec. 3. AS 44.21.020 is amended by adding a new paragraph to read:

27 (13) adopt regulations to implement the energy conservation
28 procurement policy set out in AS 46.11.070.

29 * Sec. 4. AS 44.33.040(17)(B) is amended to read:

1 (B) make grants for recipients eligible for [TO MATCH]
2 grants from [MADE BY] the United States Department of Energy under
3 the appropriate technology small grants program for Alaska autho-
4 rized by Title I of the Department of Energy Appropriation Authori-
5 zation Act of 1977, P.L. 95-39 (42 U.S.C. 5907a) and 10 C.F.R. 470;

6 * Sec. 5. AS 44.47.140 is amended to read:

7 Sec. 44.47.140. LIMITATIONS. A program of the department under
8 AS 44.47.130 in a rural area may not exceed \$40,000 in [A] cost a year,
9 except that a grant of not more than \$100,000 [\$60,000] may be made
10 under AS 44.47.145 for a bulk fuel storage facility.

11 * Sec. 6. AS 44.47.145(b) is amended to read:

12 (b) Grants made under this section for the acquisition and in-
13 stallation of a bulk fuel storage facility may not exceed \$100,000
14 [\$60,000] per community.

15 * Sec. 7. AS 44.83.070 is amended to read:

16 Sec. 44.83.070. PURPOSE OF THE AUTHORITY. The purpose of the
17 authority is to promote, develop and advance the general prosperity and
18 economic welfare of the people of Alaska by providing a means of con-
19 structing, acquiring, financing and operating

20 (1) power projects [PRODUCTION FACILITIES] limited to fossil
21 fuel, wind power, tidal, geothermal, hydroelectric, or solar energy
22 production; and

23 (2) facilities which recover and use waste energy [CONSERVA-
24 TION FACILITES].

25 * Sec. 8. AS 44.83.177(a) is amended to read:

26 (a) To identify power project alternatives and energy consumption
27 patterns and needs for a community or region, the authority shall,
28 after consultation with other state agencies and after review of in-
29 formation on alternative sources of energy [POWER], complete a recon-

1 naissance study for each proposed new power project.

2 * Sec. 9. AS 44.83.177(b) is repealed and reenacted to read:

3 (b) A reconnaissance study shall

4 (1) identify the present and anticipated electrical and
5 thermal energy requirements of a community or region;

6 (2) survey all electrical and thermal energy sources avail-
7 able to the community or region and evaluate the relative economic
8 merits of alternative sources of power and heat, including energy
9 conservation;

10 (3) assess the effect of development of alternative sources
11 of power and heat on the environment so as to assure that there is no
12 adverse effect to the environment which would make the project inadvis-
13 able; and

14 (4) include public comment from residents of the community
15 and adjacent area.

16 * Sec. 10. AS 44.83.177(c)(2) is amended to read:

17 (2) standard criteria and measures for comparative analysis
18 of alternative energy [POWER] sources.

19 * Sec. 11. AS 44.83.230(4) is amended to read:

20 (4) "power project" or "project" means a plant, works,
21 system, facility, water rights, fuel deposits or sources, and real
22 estate and personal property [OF ANY NATURE WHATSOEVER], together with
23 all facilities and appurtenances related to them or necessary for the
24 purposes of them, used or useful in electrical or thermal [POWER]
25 production limited to fossil fuel, wind power, tidal, geothermal,
26 hydroelectric, or solar energy production and waste energy utilization
27 and energy conservation and the transmission, purchase, sale, exchange
28 and interchange of electrical or thermal energy [POWER], and shall
29 include any interest in them, whether divided or undivided, or any

1 right to the capacity of them;

2 * Sec. 12. AS 44.83.230(7) is amended to read:

3 (7) "reconnaissance study" means a study conducted for the
4 purpose of assessing the present and future electrical and thermal
5 energy [POWER] needs of an area under AS 44.83.177;

6 * Sec. 13. AS 46.11.030(a)(1) is amended to read:

7 (1) establish criteria for the performance of energy audits
8 of commercial and industrial buildings, cultural facilities, and
9 public buildings located in the state;

10 * Sec. 14. AS 46.11.030(c) is amended to read:

11 (c) The department may contract

12 (1) with a municipality for the performance of energy audits
13 in the municipality;

14 (2) with a nonprofit corporation for the performance of
15 energy audits in any community which the nonprofit corporation serves;

16 (3) with a public or private electric utility for the per-
17 formance of energy audits.

18 * Sec. 15. AS 46.11 is amended by adding new sections to read:

19 Sec. 46.11.032. CLASSIFICATION OF AUDITS. In establishing stan-
20 dards for energy audits of residences under AS 46.11.030(a), the depart-
21 ment shall provide criteria for performance of

22 (1) abbreviated audits that

23 (A) identify the energy conservation improvements
24 defined in AS 46.13.190(4) which are appropriate to the residence;

25 (B) identify other low-cost improvements which a resi-
26 dent may make to conserve energy;

27 (C) advise the resident of possible conservation prac-
28 tices; and

29 (D) recommend areas to be analyzed in a detailed energy

1 audit;

2 (2) detailed audits that

3 (A) analyze building characteristics;

4 (B) evaluate the applicability of structural retrofit,
5 upgrading, and the replacement of energy systems with alternative
6 energy systems;

7 (C) recommend appropriate alternative energy systems
8 for the residence; and

9 (D) provide to the resident an estimate of the costs to
10 implement the recommended measures, and an estimate of the time in
11 which the estimated cost of the energy saved by implementation of
12 the recommended measures exceeds the cost of implementing the
13 recommended measures.

14 Sec. 46.11.034. FEES AND PAYMENTS FOR ENERGY AUDIT. (a) The fee
15 for an energy audit may not be set by the state.

16 (b) The department shall reimburse a person who performs an
17 abbreviated energy audit of a residence in the state. The reimburse-
18 ment for the energy audit may not exceed the lesser of the cost of the
19 audit or \$50 adjusted by a regional cost-of-living and inflation index
20 determined by the department.

21 (c) For purposes of this section, a regional cost-of-living index
22 is determined by calculating the cost of living in each region of the
23 state by using the annually adjusted cost of living in Anchorage as a
24 base of 1.00.

25 * Sec. 16. AS 46.11 is amended by adding a new section to read:

26 Sec. 46.11.070. ENERGY CONSERVATION PROCUREMENT POLICY REGULA-
27 TIONS. (a) By July 1, 1982, the commissioner of administration shall
28 adopt regulations to implement a procurement policy applicable to state
29 agencies. The regulations adopted shall be reasonably necessary to

1 promote energy conservation in the acquisition and use of equipment,
2 materials, and supplies, and shall include, but are not limited to,

3 (1) procedures to determine life cycle costs of equipment,
4 based on acquisition costs, the cost of operating the equipment during
5 its anticipated useful life, maintenance costs of equipment during its
6 anticipated useful life, and the anticipated resale or salvage value of
7 the equipment; and

8 (2) minimum standards of energy efficiency of equipment,
9 based on applicable federal energy efficiency standards and average
10 fleet fuel economy for automobiles.

11 (b) The regulations adopted by the commissioner of administration
12 shall include bid procedures applicable to the acquisition of equip-
13 ment, materials, and supplies by state agencies by which the state
14 agency may evaluate compliance of a bid with the provisions of (a) of
15 this section before making a bid award.

16 (c) The commissioner of administration may not adopt regulations
17 under this section until the director of the Alaska Energy Center
18 (AS 46.12) and the director of the division of energy and power develop-
19 ment in the Department of Commerce and Economic Development are allowed
20 to review and comment on the regulations.

21 (d) The commissioner of administration may assist state agencies
22 in complying with regulations adopted under this section.

23 (e) By the 10th day of each regular session of the legislature,
24 the commissioner of administration shall submit a report to the legis-
25 lature on the regulations adopted under this section, and on compliance
26 with the regulations by state agencies. The report shall contain

27 (1) the actual energy costs and the energy conserved as a
28 result of compliance by state agencies with the regulations adopted
29 under this section; and

1 (2) the estimated energy costs and estimated energy which
2 may be conserved as a result of compliance by state agencies with the
3 regulations adopted under this section.

4 * Sec. 17. AS 37.25.030 is amended by adding a new subsection to read:

5 (b) The commissioner of administration shall

6 (1) require bids submitted under this section to contain
7 information about the life cycle costs and energy efficiency standards
8 of equipment, if the bid involves energy-consuming equipment;

9 (2) condition acceptance of a bid submitted under this
10 section on compliance by the bidder with bid regulations adopted under
11 AS 46.11.070.

12 * Sec. 18. AS 46.11.900(1)(B)(ii) is amended to read:

13 (ii) a method of architectural design and construc-
14 tion which provides for the collection, storage and use of
15 direct radiation from the sun or which provides for the re-
16 tention of heat by the use of an amount or quality of insula-
17 tion which exceeds the amount or quality of insulation re-
18 quired by building performance standards adopted by the
19 Alaska Energy Center under AS 46.12; and

20 * Sec. 19. AS 46.11.900(3) is amended to read:

21 (3) "energy audit" means a determination and written summary
22 prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy
23 Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

24 [(A) THE ENERGY CONSUMPTION CHARACTERISTICS OF A BUILD-
25 ING, INCLUDING THE SIZE, TYPE, AND RATE OF ENERGY CONSUMPTION OF
26 MAJOR ENERGY CONSUMING SYSTEMS OF THE BUILDING AND THE CLIMATE
27 CHARACTERIZING THE REGION WHERE THE BUILDING IS LOCATED; AND

28 (B)] the energy [CONSERVATION AND COST] savings likely
29 to result from appropriate energy-conserving maintenance and

1 operating procedures and modifications, including the purchase and
2 installation of energy-related fixtures; [FOR PURPOSES OF THIS
3 SUBPARAGRAPH WHEN A FOSSIL FUEL IS THE ENERGY SOURCE, THE ENERGY
4 COST SAVINGS SHALL BE DETERMINED WITH REFERENCE TO THE PROJECTED
5 PRICE OF THAT FOSSIL FUEL OVER A 10-YEAR PERIOD;]

6 * Sec. 20. AS 46.11.900 is amended by adding a new paragraph to read:

7 (10) "cultural facility" means a structure or complex the
8 principal purpose of which is to serve the visual and performing arts,
9 including but not limited to a theatre, concert hall or gallery, or to
10 serve as the repository of the historical or contemporary heritage of
11 the community and its people, and which also may be used for compatible
12 activities, including but not limited to, activities relating to educa-
13 tion, community meetings, tourism, and visitor information.

14 * Sec. 21. AS 46.12.120 is amended by adding a new paragraph to read:

15 (6) adopt building energy performance standards for
16 (A) public facilities of the state; and
17 (B) residences, commercial and industrial buildings,
18 and other privately owned buildings in the state for which alterna-
19 tive energy system and energy conservation improvement loans may
20 be made under AS 46.13 or for which an energy conservation credit
21 is sought under AS 43.20.037.

22 * Sec. 22. AS 46 is amended by adding a new chapter to read:

23 CHAPTER 13. ENERGY CONSERVATION AND DEVELOPMENT.

24 ARTICLE 1. ALTERNATIVE TECHNOLOGY AND

25 ENERGY CONSERVATION LOANS.

26 Sec. 46.13.010. LOAN FUND ESTABLISHED. There is established in
27 the Department of Commerce and Economic Development the alternative
28 technology and energy conservation loan fund to carry out the purposes
29 of AS 46.13.010 - 46.13.099. A loan made under AS 46.13.010 - 46.13.099

1 may be used

2 (1) to develop energy production and conservation systems
3 using energy sources other than fossil or nuclear fuel, including but
4 not limited to, windmills, water, and solar energy devices;

5 (2) to develop and implement methods of energy production,
6 waste disposal, recycling, food production, transportation, building
7 design, and industrial enterprise which may be more efficient, less
8 costly, and less energy intensive than those methods presently used and
9 which are appropriate to the Alaska environment;

10 (3) to purchase, construct, or install an energy conserva-
11 tion improvement or an alternative energy system which is likely to
12 result in energy conservation or energy cost savings

13 (A) in a residential or commercial building;

14 (B) in a building owned by a corporation organized
15 under AS 10.20; or

16 (C) as part of an agricultural or industrial process.

17 Sec. 46.13.020. POWERS AND DUTIES OF THE DEPARTMENT. The depart-
18 ment may make loans

19 (1) for the purchase, construction, installation, and pro-
20 duction of

21 (A) alternative energy systems;

22 (B) energy conservation improvements; and

23 (2) for the development, implementation, and production of
24 more efficient, less costly, less energy intensive, and more appropri-
25 ate technologies.

26 Sec. 46.13.030. AUDITS. A loan may not be made under AS 46.-
27 13.010 - 46.13.099 for an alternative energy system or energy conserva-
28 tion improvement unless a detailed energy audit of the building has
29 been completed as provided in AS 46.11.032.

1 Sec. 46.13.040. LOAN TERMS. (a) A loan for the purchase, con-
2 struction, or installation of an alternative energy system or an energy
3 conservation improvement under AS 46.13.010 - 46.13.099 may be made
4 only for an alternative energy system or energy conservation improve-
5 ment which has been recommended in a detailed energy audit as a measure
6 which is likely to result in energy conservation or energy cost savings.

7 (b) A loan for the development of an alternative energy system or
8 for an energy conservation improvement

9 (1) may include the cost of the detailed audit of the build-
10 ing; and

11 (2) may not exceed the lesser of

12 (A) the cost of the alternative energy system or the
13 energy conservation improvement and the amount included under (1)
14 of this subsection; or

15 (B) \$100,000.

16 (c) The duration for repayment of a loan may not exceed 75 percent
17 of the estimated useful life of the alternative energy system or energy
18 conservation improvement, as determined by the department.

19 (d) All payments of principal and interest on a loan made under
20 AS 46.13.010 - 46.13.099 shall be paid by the department to the Depart-
21 ment of Revenue for deposit into the general fund.

22 (e) The rate of interest on a loan made under AS 46.13.010 -
23 46.13.099

24 (1) is five percent, if the loan is made before January 1,
25 1984;

26 (2) equals the percentage of the average weekly yield of
27 municipal bonds for the 12 months preceding the loan, as determined by
28 the commissioner of commerce and economic development from municipal
29 bond yield rates reported in the 30-year revenue index of the Weekly

1 Bond Buyer, for a loan made after December 31, 1983.

2 (f) The department may require security for a loan under this
3 section. If the amount of a loan is less than \$10,000, the department
4 may not require security in the form of a deed of trust. When a loan
5 is made under this section, the department may require the loan appli-
6 cant to present copies of invoices or billings for expenses which the
7 proceeds of the loan will be used to pay.

8 Sec. 46.13.050. LIMITATIONS ON LOANS. A loan for an alternative
9 energy system or energy conservation improvement which uses wood as its
10 principal fuel may not be used by the borrower for structural changes
11 in a building. Not more than one-third of the amount loaned for an
12 alternative energy system or energy conservation improvement which uses
13 wood as its principal fuel may be used for costs of installation of the
14 system or improvement.

15 Sec. 46.13.060. LOAN ADVANCES. The department shall establish
16 procedures for the payment of an advance of a portion of the proceeds
17 of a loan by an applicant before the purchase and construction or
18 installation of an energy conservation improvement or an alternative
19 energy system.

20 Sec. 46.13.070. REGULATIONS. The department shall adopt regula-
21 tions necessary to carry out the provisions of AS 46.13.010 - 46.13.099.

22 Sec. 46.13.099. DEFINITIONS. In AS 46.13.010 - 46.13.099,
23 "alternative energy system"

24 (1) means a source of thermal, mechanical, or electrical
25 energy which is not dependent on oil or gas or a nuclear fuel for the
26 supply of energy for space heating and cooling, refrigeration and cold
27 storage, electrical power, mechanical power, or the heating of water;

28 (2) includes

29 (A) an alternative energy property as defined by

1 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48-
2 (1)(3)(A));

3 (B) a method of architectural design and construction
4 which

5 (i) provides for the collection, storage and use
6 of direct radiation from the sun; or

7 (ii) provides for the retention of heat by the use
8 of an amount or quality of insulation which exceeds the
9 amount or quality of insulation required by building perfor-
10 mance standards adopted by the Alaska Energy Center; and

11 (C) any other device approved by the commissioner of
12 commerce and economic development under AS 44.33.040(12).

13 ARTICLE 2. ENERGY CONSERVATION REFUNDS AND GRANTS.

14 Sec. 46.13.100. FUND ESTABLISHED. There is established in the
15 Department of Commerce and Economic Development the residential energy
16 conservation grant fund to carry out the purposes of AS 46.13.100 -
17 46.13.199. Refunds and grants made under AS 46.13.100 - 46.13.199 may
18 be used to purchase, construct, and install an energy conservation
19 improvement in residential buildings. The fund may be used for no
20 other purpose.

21 Sec. 46.13.110. REFUNDS AND GRANTS. (a) The department may
22 make refunds or grants for the purchase, construction, and installation
23 of an energy conservation improvement in a residential building if the
24 energy conservation improvement is recommended in an abbreviated energy
25 audit under AS 46.11.032.

26 (b) A refund or grant made under this section may not exceed an
27 amount determined by the department by application of each of the
28 factors set out in (e) of this section to the base rate applicable to
29 the dwelling or residential building. The base rate is

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

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

3 (c) In making a refund or grant under this section, the depart-
4 ment shall determine the amount of a refund or grant payable under (a)
5 of this section by adjusting the base rate set out in (b) of this
6 section by

7 (1) a regional cost-of-living index determined by the
8 department;

9 (2) a degree day factor.

10 Sec. 46.13.199. DEFINITIONS. In AS 46.13.100 - 46.13.199,

11 (1) "degree day" means a unit that represents one degree of
12 declination from 65 degrees Fahrenheit in the mean outdoor temperature
13 of a day;

14 (2) "degree day factor" means the factor determined by
15 dividing the average number of degree days for the community in which a
16 dwelling or residential building is located by the average number of
17 degree days for the state;

18 (3) "energy audit" means a determination and written summary
19 prepared under AS 46.11.030 - 46.11.032 or sec. 215(b)(1)(A) of the
20 National Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of
21 the energy savings likely to result from appropriate energy-conserving
22 maintenance and operating procedures and modifications, including the
23 purchase and installation of energy-related fixtures;

24 (4) "energy conservation improvement" means

25 (A) structural insulation;

26 (B) storm and thermal windows and doors;

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

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

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

5 (F) an automatic energy-saving setback thermostat;

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

7 (H) caulking and weatherstripping of doors and windows;

8 (I) insulating shades and shutters;

9 (J) air and water recuperators;

10 (K) electrical outlet insulating gaskets;

11 (L) water heater insulating jacket;

12 (M) shower flow reducer;

13 (N) any other energy-saving device approved by the
14 commissioner of commerce and economic development under AS 44.33.-
15 040(12);

16 (5) "regional cost-of-living index" is an index determined
17 by calculating the costs of living in the regions of the state by using
18 the cost of living in Anchorage as a base of 1.00;

19 (6) "residential building" means a building which is used as
20 a home, dwelling or sleeping place and includes a newly constructed
21 building and a building proposed for construction as well as an existing
22 structure.

23 ARTICLE 3. ENERGY CONSERVATION ASSISTANCE.

24 Sec. 46.13.200. ENERGY CONSERVATION ASSISTANCE. The department
25 may make a grant to an individual, municipality, or nonprofit corpora-
26 tion to install an energy conservation improvement in a building or
27 dwelling

28 (1) in which an individual who receives low income resides;
29 or

1 (2) in a community

2 (A) which has a population of less than 600;

3 (B) which does not have year-round surface transporta-
4 tion; and

5 (C) which lacks the goods and services necessary for
6 installation of energy conservation improvements.

7 Sec. 46.13.210. LIMITATION ON GRANT. A grant under AS 46.13.200
8 may not exceed \$3,000.

9 Sec. 46.13.220. STANDARDS. The department shall by regulation
10 establish

11 (1) income standards for individuals who are eligible for
12 assistance under AS 46.13.200 - 46.13.240 based on poverty guidelines
13 provided by the federal Office of Management and Budget adjusted to
14 Alaska and regional conditions by United States Department of Labor
15 statistics and a cost-of-living index;

16 (2) eligibility requirements for contractors of the grantee
17 who install energy conservation improvements;

18 (3) the energy conservation improvements which may be made
19 under AS 46.13.200 - 46.13.240;

20 (4) the amount of assistance that may be provided to an
21 individual under AS 46.13.200 - 46.13.240 considering

22 (A) the estimated life of the housing unit;

23 (B) prior energy conservation improvements made to the
24 housing unit;

25 (C) the cost effectiveness of any proposed improvements
26 which are made to conserve energy;

27 (D) costs of materials and transportation of materials;

28 and

29 (E) the availability of other financial resources for

1 energy conservation in the building or dwelling.

2 Sec. 46.13.230. LIMITATION ON ASSISTANCE. If an energy conserva-
3 tion improvement in a building or dwelling is financed by a refund or
4 grant made under AS 46.13.100 - 46.13.199, a low-income individual who
5 later resides in the building or dwelling may receive assistance under
6 AS 46.13.200 - 46.13.240 for other energy conservation improvements.
7 However,

8 (1) only one grant may be made under AS 46.13.200 - 46.13.240
9 for each building or dwelling; and

10 (2) when a grant is given for a building or dwelling under
11 AS 46.13.200 - 46.13.240, the owner of the building or dwelling may not
12 obtain a refund or grant under AS 46.13.100 - 46.13.199.

13 Sec. 46.13.240. AUDIT. A grant may not be made under AS 46.13.-
14 200 - 46.13.240 unless an abbreviated energy audit is completed.

15 ARTICLE 10. GENERAL PROVISIONS.

16 Sec. 46.13.900. DEFINITION. In this chapter, "department" means
17 the Department of Commerce and Economic Development.

18 * Sec. 23. The following laws are repealed: AS 45.88; AS 45.89; and
19 AS 46.11.030(d) and (e).

20 * Sec. 24. Sections 1 - 16 and 18 - 23 of this Act take effect July 1,
21 1981.

22 * Sec. 25. Section 17 of this Act takes effect July 1, 1982.
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Changes on: y 2, l 20

y 5, l 22

y 11, l 4-6

y 14, l 19

y 15, l 6

Original sponsors: Rogers and Buchholdt

5/16
Chenoweth

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance)

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 energy; and providing for an
7 effective date."

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

9 * Section 1. AS 37.12.125(6) is amended to read:

10 (6) "renewable resource" means

11 (A) non-human living organisms;

12 (B) natural components of the environment, including
13 the air, land, and water; [AND]

14 (C) energy systems which are naturally recurring or
15 replenished; and

16 (D) energy conservation technologies and recyclable
17 wastes.

18 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

19 (ii) a method of architectural design and construc-
20 tion which provides for the collection, storage and use of
21 direct radiation from the sun or which provides for the re-
22 tention of heat by the use of an amount or quality of insula-
23 tion which exceeds the amount or quality of insulation re-
24 quired by building performance standards adopted by the
25 Alaska Energy Center under AS 46.12.120; and

26 * Sec. 3. AS 44.21.020 is amended by adding a new paragraph to read:

27 (13) adopt regulations to implement the energy conservation
28 procurement policy set out in AS 46.11.070.

29 * Sec. 4. AS 44.33.040(17)(B) is amended to read:

1 (B) make grants for recipients eligible for [TO MATCH]
2 grants from [MADE BY] the United States Department of Energy under
3 the appropriate technology small grants program for Alaska autho-
4 rized by Title I of the Department of Energy Appropriation Authori-
5 zation Act of 1977, P.L. 95-39 (42 U.S.C. 5907a) and 10 C.F.R. 470;

6 * Sec. 5. AS 44.47.140 is amended to read:

7 Sec. 44.47.140. LIMITATIONS. A program of the department under
8 AS 44.47.130 in a rural area may not exceed \$40,000 in [A] cost a
9 year, except that a grant of not more than \$100,000 [\$60,000] may be
0 made under AS 44.47.145 for a bulk fuel storage facility.

1 * Sec. 6. AS 44.47.145(b) is amended to read:

2 (b) Grants made under this section for the acquisition and in-
3 stallation of a bulk fuel storage facility may not exceed \$100,000
4 [\$60,000] per community.

5 * Sec. 7. AS 44.83.070 is amended to read:

6 Sec. 44.83.070. PURPOSE OF THE AUTHORITY. The purpose of the
7 authority is to promote, develop and advance the general prosperity and
8 economic welfare of the people of Alaska by providing a means of con-
9 structing, acquiring, financing and operating

10 (1) power ~~[production facilities]~~ limited to fossil fuel,
11 wind power, tidal, geothermal, hydroelectric, or solar energy pro-
12 duction; and

13 (2) facilities which recover and use waste energy [CONSERVA-
14 TION FACILITIES].

15 * Sec. 8. AS 44.83.177(a) is amended to read:

16 (a) To identify power project alternatives and energy consumption
17 patterns and needs for a community or region, the authority shall,
18 after consultation with other state agencies and after review of
19 information on alternative sources of energy [POWER], complete a recon-

1 naissance study for each proposed new power project.

2 * Sec. 9. AS 44.83.177(b) is repealed and reenacted to read:

3 (b) A reconnaissance study shall

4 (1) identify the present and anticipated electrical and
5 thermal energy requirements of a community or region;

6 (2) survey all electrical and thermal energy sources avail-
7 able to the community or region and evaluate the relative economic
8 merits of alternative sources of power and heat, including energy
9 conservation;

0 (3) assess the effect of development of alternative sources
1 of power and heat on the environment so as to assure that there is no
2 adverse effect to the environment which would make the project inadvis-
3 able; and

4 (4) include public comment from residents of the community
5 and adjacent area.

6 * Sec. 10. AS 44.83.177(c)(2) is amended to read:

7 (2) standard criteria and measures for comparative analysis
8 of alternative energy [POWER] sources.

9 * Sec. 11. AS 44.83.230(4) is amended to read:

0 (4) "power project" or "project" means a plant, works,
1 system, facility, water rights, fuel deposits or sources, and real
2 estate and personal property [OF ANY NATURE WHATSOEVER], together with
3 all facilities and appurtenances related to them or necessary for the
4 purposes of them, used or useful in electrical or thermal [POWER]
5 production limited to fossil fuel, wind power, tidal, geothermal,
6 hydroelectric, or solar energy production and waste energy utilization
7 and energy conservation and the transmission, purchase, sale, exchange
8 and interchange of electrical or thermal energy [POWER], and shall
9 include any interest in them, whether divided or undivided, or any

1 right to the capacity of them;

2 * Sec. 12. AS 44.83.230(7) is amended to read:

3 (7) "reconnaissance study" means a study conducted for the
4 purpose of assessing the present and future electrical and thermal
5 energy [POWER] needs of an area under AS 44.83.177;

6 * Sec. 13. AS 46.11.030(a)(1) is amended to read:

7 (1) establish criteria for the performance of energy audits
8 of commercial and industrial buildings, cultural facilities, and
9 public buildings located in the state;

10 * Sec. 14. AS 46.11.030(c) is amended to read:

11 (c) The department may contract

12 (1) with a municipality for the performance of energy audits
13 in the municipality;

14 (2) with a nonprofit corporation for the performance of
15 energy audits in any community which the nonprofit corporation serves;

16 (3) with a public or private electric utility for the per-
17 formance of energy audits.

18 * Sec. 15. AS 46.11 is amended by adding new sections to read:

19 Sec. 46.11.032. CLASSIFICATION OF AUDITS. In establishing stan-
20 dards for energy audits of residences under AS 46.11.030(a), the depart-
21 ment shall provide criteria for performance of

22 (1) abbreviated audits that

23 (A) identify the energy conservation improvements
24 defined in AS 46.13.190(4) which are appropriate to the residence;

25 (B) identify other low-cost improvements which a resi-
26 dent may make to conserve energy;

27 (C) advise the resident of possible conservation prac-
28 tices; and

29 (D) recommend areas to be analyzed in a detailed energy

1 audit;

2 (2) detailed audits that

3 (A) analyze building characteristics;

4 (B) evaluate the applicability of structural retrofit,
5 upgrading, and the replacement of energy systems with alternative
6 energy systems;

7 (C) recommend appropriate alternative energy systems
8 for the residence; and

9 (D) provide to the resident an estimate of the costs to
10 implement the recommended measures, and an estimate of the time in
11 which the estimated cost of the energy saved by implementation of
12 the recommended measures exceeds the cost of implementing the
13 recommended measures.

14 Sec. 46.11.034. FEES AND PAYMENTS FOR ENERGY AUDIT. (a) The fee
15 for an energy audit may not be set by the state.

16 (b) The department shall reimburse a person who performs an
17 abbreviated energy audit of a residence in the state. The reimburse-
18 ment for the energy audit may not exceed the lesser of the cost of the
19 audit or \$50 adjusted by a regional cost-of-living and inflation index
20 determined by the department.

21 (c) For purposes of this section, a regional cost-of-living index
22 is determined by calculating the cost of living in each ~~region~~ [election dis-
23 trict] of the state by using the annually adjusted cost of living in
24 Anchorage as a base of 1.00.

25 * Sec. 16. AS 46.11 is amended by adding a new section to read:

26 Sec. 46.11.070. ENERGY CONSERVATION PROCUREMENT POLICY REGULA-
27 TIONS. (.). By July 1, 1982, the commissioner of administration shall
28 adopt regulations to implement a procurement policy applicable to state
29 agencies. The regulations adopted shall be reasonably necessary to

promote energy conservation in the acquisition and use of equipment, materials, and supplies, and shall include, but are not limited to,

(1) procedures to determine life cycle costs of equipment, based on acquisition costs, the cost of operating the equipment during its anticipated useful life, maintenance costs of equipment during its anticipated useful life, and the anticipated resale or salvage value of the equipment; and

(2) minimum standards of energy efficiency of equipment, based on applicable federal energy efficiency standards and average fleet fuel economy for automobiles.

(b) The regulations adopted by the commissioner of administration shall include bid procedures applicable to the acquisition of equipment, materials, and supplies by state agencies by which the state agency may evaluate compliance of a bid with the provisions of (a) of this section before making a bid award.

(c) The commissioner of administration may not adopt regulations under this section until the director of the Alaska Energy Center (AS 46.12) and the director of the division of energy and power development in the Department of Commerce and Economic Development are allowed to review and comment on the regulations.

(d) The commissioner of administration may assist state agencies in complying with regulations adopted under this section.

(e) By the 10th day of each regular session of the legislature, the commissioner of administration shall submit a report to the legislature on the regulations adopted under this section, and on compliance with the regulations by state agencies. The report shall contain

(1) the actual energy costs and the energy conserved as a result of compliance by state agencies with the regulations adopted under this section; and

(2) the estimated energy costs and estimated energy which may be conserved as a result of compliance by state agencies with the regulations adopted under this section.

* Sec. 17. AS 37.25.030 is amended by adding a new subsection to read:

(b) The commissioner of administration shall

(1) require bids submitted under this section to contain information about the life cycle costs and energy efficiency standards of equipment, if the bid involves energy-consuming equipment;

(2) condition acceptance of a bid submitted under this section on compliance by the bidder with bid regulations adopted under AS 46.11.070.

* Sec. 18. AS 46.11.900(1)(B)(ii) is amended to read:

(ii) a method of architectural design and construction which provides for the collection, storage and use of direct radiation from the sun or which provides for the retention of heat by the use of an amount or quality of insulation which exceeds the amount or quality of insulation required by building performance standards adopted by the Alaska Energy Center under AS 46.12; and

* Sec. 19. AS 46.11.900(3) is amended to read:

(3) "energy audit" means a determination and written summary prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

[(A) THE ENERGY CONSUMPTION CHARACTERISTICS OF A BUILDING, INCLUDING THE SIZE, TYPE, AND RATE OF ENERGY CONSUMPTION OF MAJOR ENERGY CONSUMING SYSTEMS OF THE BUILDING AND THE CLIMATE CHARACTERIZING THE REGION WHERE THE BUILDING IS LOCATED; AND

(B)] the energy [CONSERVATION AND COST] savings likely to result from appropriate energy-conserving maintenance and

operating procedures and modifications, including the purchase and installation of energy-related fixtures; [FOR PURPOSES OF THIS SUBPARAGRAPH WHEN A FOSSIL FUEL IS THE ENERGY SOURCE, THE ENERGY COST SAVINGS SHALL BE DETERMINED WITH REFERENCE TO THE PROJECTED PRICE OF THAT FOSSIL FUEL OVER A 10-YEAR PERIOD;]

* Sec. 20. AS 46.11.900 is amended by adding a new paragraph to read:

(10) "cultural facility" means a structure or complex the principal purpose of which is to serve the visual and performing arts, including but not limited to a theatre, concert hall or gallery, or to serve as the repository of the historical or contemporary heritage of the community and its people, and which also may be used for compatible activities, including but not limited to, activities relating to education, community meetings, tourism, and visitor information.

* Sec. 21. AS 46.12.120 is amended by adding a new paragraph to read:

(6) adopt building energy performance standards for
(A) public facilities of the state; and
(B) residences, commercial and industrial buildings, and other privately owned buildings in the state for which alternative energy system and energy conservation improvement loans may be made under AS 46.13 or for which an energy conservation credit is sought under AS 43.20.037.

* Sec. 22. AS 46 is amended by adding a new chapter to read:

CHAPTER 13. ENERGY CONSERVATION AND DEVELOPMENT.

ARTICLE 1. ALTERNATIVE TECHNOLOGY AND ENERGY CONSERVATION LOANS.

Sec. 46.13.010. LOAN FUND ESTABLISHED. There is established in the Department of Commerce and Economic Development the alternative technology and energy conservation loan fund to carry out the purposes of AS 46.13.010 - 46.13.099. A loan made under AS 46.13.010 - 46.13.099

may be used

(1) to develop energy production and conservation systems using energy sources other than fossil or nuclear fuel, including but not limited to, windmills, water, and solar energy devices;

(2) to develop and implement methods of energy production, waste disposal, recycling, food production, transportation, building design, and industrial enterprise which may be more efficient, less costly, and less energy intensive than those methods presently used and which are appropriate to the Alaska environment;

(3) to purchase, construct, or install an energy conservation improvement or an alternative energy system which is likely to result in energy conservation or energy cost savings

(A) in a residential or commercial building;

(B) in a building owned by a corporation organized under AS 10.20; or

(C) as part of an agricultural or industrial process.

Sec. 46.13.020. POWERS AND DUTIES OF THE DEPARTMENT. The department may make loans

(1) for the purchase, construction, installation, and production of

(A) alternative energy systems;

(B) energy conservation improvements; and

(2) for the development, implementation, and production of more efficient, less costly, less energy intensive, and more appropriate technologies.

Sec. 46.13.030. AUDITS. A loan may not be made under AS 46.13.010 - 46.13.099 for an alternative energy system or energy conservation improvement unless a detailed energy audit of the building has been completed as provided in AS 46.11.032.

1 Sec. 46.13.040. LOAN TERMS. (a) A loan for the purchase, con-
2 struction, or installation of an alternative energy system or an energy
3 conservation improvement under AS 46.13.010 - 46.13.099 may be made
4 only for an alternative energy system or energy conservation improve-
5 ment which has been recommended in a detailed energy audit as a measure
6 which is likely to result in energy conservation or energy cost savings.

7 (b) A loan for the development of an alternative energy system or
8 for an energy conservation improvement

9 (1) may include the cost of the detailed audit of the build-
10 ing; and

11 (2) may not exceed the lesser of

12 (A) the cost of the alternative energy system or the
13 energy conservation improvement and the amount included under (1)
14 of this subsection; or

15 (B) \$100,000.

16 (c) The duration for repayment of a loan may not exceed 75 percent
17 of the estimated useful life of the alternative energy system or energy
18 conservation improvement, as determined by the department.

19 (d) All payments of principal and interest on a loan made under
20 AS 46.13.010 - 46.13.099 shall be paid by the department to the Depart-
21 ment of Revenue for deposit into the general fund.

22 (e) The rate of interest on a loan made under AS 46.13.010 -
23 46.13.099

24 (1) is five percent, if the loan is made before January 1,
25 1984;

26 (2) equals the percentage of the average weekly yield of
27 municipal bonds for the 12 months preceding the loan, as determined by
28 the commissioner of commerce and economic development from municipal
29 bond yield rates reported in the 30-year revenue index of the Weekly

1 Bond Buyer, for a loan made after December 31, 1983.

2 (f) The department may require security for a loan under this
3 section. If the amount of a loan is less than \$10,000 and security is
4 required, ~~the security may include any lien against the alternative~~
5 ~~energy system or energy conservation improvement, or against other~~
6 ~~collateral offered by the borrower.~~ When a loan is made under this
7 section, the department may require the loan applicant to present
8 copies of invoices or billings for expenses which the proceeds of the
9 loan will be used to pay.

0 Sec. 46.13.050. LIMITATIONS ON LOANS. A loan for an alternative
1 energy system or energy conservation improvement which uses wood as its
2 principal fuel may not be used by the borrower for structural changes
3 in a building. Not more than one-third of the amount loaned for an
4 alternative energy system or energy conservation improvement which uses
5 wood as its principal fuel may be used for costs of installation of the
6 system or improvement.

7 Sec. 46.13.060. LOAN ADVANCES. The department shall establish
8 procedures for the payment of an advance of a portion of the proceeds
9 of a loan by an applicant before the purchase and construction or
10 installation of an energy conservation improvement or an alternative
11 energy system..

12 Sec. 46.13.070. REGULATIONS. The department shall adopt regula-
13 tions necessary to carry out the provisions of AS 46.13.010 - 46.13.099.

14 Sec. 46.13.099. DEFINITIONS. In AS 46.13.010 - 46.13.099,
15 "alternative energy system"

16 (1) means a source of thermal, mechanical, or electrical
17 energy which is not dependent on oil or gas or a nuclear fuel for the
18 supply of energy for space heating and cooling, refrigeration and cold
19 storage, electrical power, mechanical power, or the heating of water;

1 (2) includes

2 (A) an alternative energy property as defined by
3 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48-
4 (1)(3)(A));

5 (B) a method of architectural design and construction
6 which

7 (i) provides for the collection, storage and use
8 of direct radiation from the sun; or

9 (ii) provides for the retention of heat by the use
10 of an amount or quality of insulation which exceeds the
11 amount or quality of insulation required by building perfor-
12 mance standards adopted by the Alaska Energy Center; and

13 (C) any other device approved by the commissioner of
14 commerce and economic development under AS 44.33.040(12).

15 ARTICLE 2. ENERGY CONSERVATION REFUNDS AND GRANTS.

16 Sec. 46.13.100. FUND ESTABLISHED. There is established in the
17 Department of Commerce and Economic Development the residential energy
18 conservation grant fund to carry out the purposes of AS 46.13.100 -
19 46.13.199. Refunds and grants made under AS 46.13.100 - 46.13.199 may
20 be used to purchase, construct, and install an energy conservation
21 improvement in residential buildings. The fund may be used for no
22 other purpose.

23 Sec. 46.13.110. REFUNDS AND GRANTS. (a) The department may
24 make refunds or grants for the purchase, construction, and installation
25 of an energy conservation improvement in a residential building if the
26 energy conservation improvement is recommended in an abbreviated energy
27 audit under AS 46.11.032.

28 (b) A refund or grant made under this section may not exceed an
29 amount determined by the department by application of each of the

1 factors set out in (e) of this section to the base rate applicable to
2 the dwelling or residential building. The base rate is

- 3 (1) \$300 for a single-family dwelling; or
- 4 (2) \$200 for each unit in a multi-unit residential building.

5 (c) In making a refund or grant under this section, the depart-
6 ment shall determine the amount of a refund or grant payable under (a)
7 of this section by adjusting the base rate set out in (b) of this
8 section by

- 9 (1) a regional cost-of-living index determined by the depart-
10 ment;
- 11 (2) a degree day factor.

12 Sec. 46.13.199. DEFINITIONS. In AS 46.13.100 - 46.13.199,

13 (1) "degree day" means a unit that represents one degree of
14 declination from 65 degrees Fahrenheit in the mean outdoor temperature
15 of a day;

16 (2) "degree day factor" means the factor determined by
17 dividing the average number of degree days for the community in which a
18 dwelling or residential building is located by the average number of
19 degree days for the state;

20 (3) "energy audit" means a determination and written summary
21 prepared under AS 46.11.030 - 46.11.032 or sec. 215(b)(1)(A) of the
22 National Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of
23 the energy savings likely to result from appropriate energy-conserving
24 maintenance and operating procedures and modifications, including the
25 purchase and installation of energy-related fixtures;

26 (4) "energy conservation improvement" means

- 27 (A) structural insulation;
- 28 (B) storm and thermal windows and doors;
- 29 (C) a furnace replacement burner designed to achieve a

1 reduction in the amount of fuel consumed as a result of increased
2 combustion efficiency;

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

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

7 (F) an automatic energy-saving setback thermostat;

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

9 (H) caulking and weatherstripping of doors and windows;

10 (I) insulating shades and shutters;

11 (J) air and water recuperators;

12 (K) electrical outlet insulating gaskets;

13 (L) water heater insulating jacket;

14 (M) shower flow reducer;

15 (N) any other energy-saving device approved by the
16 commissioner of commerce and economic development under AS 44.33.-
17 040(12);

18 (5) "regional cost-of-living index" is an index determined
19 by calculating costs of living in the ~~election districts~~ [election districts] of the state
20 by using the cost of living in Anchorage as a base of 1.00;

21 (6) "residential building" means a building which is used as
22 a home, dwelling or sleeping place and includes a newly constructed
23 building and a building proposed for construction as well as an existing
24 structure.

25 ARTICLE 3. ENERGY CONSERVATION ASSISTANCE.

26 Sec. 46.13.200. ENERGY CONSERVATION ASSISTANCE. The department
27 may make a grant to an individual, municipality, or nonprofit corpora-
28 tion to install an energy conservation improvement in a building or
29 dwelling

1 (1) in which an individual who receives low income resides;
2 or

3 (2) in a community

4 (A) which has a population of less than 600;

5 (B) which does not have year-round surface transportation to ~~the community~~; and

7 (C) which lacks the goods and services necessary for
8 installation of energy conservation improvements.

9 Sec. 46.13.210. LIMITATION ON GRANT. A grant under AS 46.13.200
0 may not exceed \$3,000.

1 Sec. 46.13.220. STANDARDS. The department shall by regulation
2 establish

3 (1) income standards for individuals who are eligible for
4 assistance under AS 46.13.200 - 46.13.240 based on poverty guidelines
5 provided by the federal Office of Management and Budget adjusted to
6 Alaska and regional conditions by United States Department of Labor
7 statistics and a cost-of-living index;

8 (2) eligibility requirements for contractors of the grantee
9 who install energy conservation improvements;

20 (3) the energy conservation improvements which may be made
21 under AS 46.13.200 - 46.13.240;

22 (4) the amount of assistance that may be provided to an
23 individual under AS 46.13.200 - 46.13.240 considering

24 (A) the estimated life of the housing unit;

25 (B) prior energy conservation improvements made to the
26 housing unit;

27 (C) the cost effectiveness of any proposed improvements
28 which are made to conserve energy;

29 (D) costs of materials and transportation of materials;

1 and

2 (E) the availability of other financial resources for
3 energy conservation in the building or dwelling.

4 Sec. 46.13.230. LIMITATION ON ASSISTANCE. If an energy conserva-
5 tion improvement in a building or dwelling is financed by a refund or
6 grant made under AS 46.13.100 - 46.13.199, a low-income individual who
7 later resides in the building or dwelling may receive assistance under
8 AS 46.13.200 - 46.13.240 for other energy conservation improvements.
9 However,

10 (1) only one grant may be made under AS 46.13.200 - 46.13.240
11 for each building or dwelling; and

12 (2) when a grant is given for a building or dwelling under
13 AS 46.13.200 - 46.13.240, the owner of the building or dwelling may not
14 obtain a refund or grant under AS 46.13.100 - 46.13.199.

15 Sec. 46.13.240. AUDIT. A grant may not be made under AS 46.13.-
16 200 - 46.13.240 unless an abbreviated energy audit is completed.

17 ARTICLE 10. GENERAL PROVISIONS.

18 Sec. 46.13.900. DEFINITION. In this chapter, "department" means
19 the Department of Commerce and Economic Development.

20 * Sec. 23. The following laws are repealed: AS 45.88; AS 45.89; and
21 AS 46.11.030(d) and (e).

22 * Sec. 24. Sections 1 - 16 and 18 - 23 of this Act take effect July 1,
23 1981.

24 * Sec. 25. Section 17 of this Act takes effect July 1, 1982.

Original sponsors: Rogers and Buchholdt

Offered: 4/20/81
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (State Affairs)
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 energy; and providing for an effective date."
7

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

9 * Section 1. AS 37.12.125(6) is amended to read:

10 (6) "renewable resource" means

11 (A) non-human living organisms;

12 (B) natural components of the environment, including
13 the air, land, and water; [AND]

14 (C) energy systems which are naturally recurring or
15 replenished; and

16 (D) energy conservation technologies and recyclable
17 wastes.

18 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

19 (ii) a method of architectural design and construction
20 which provides for the collection, storage and use of
21 direct radiation from the sun or which provides for the retention of heat by the use of an amount or quality of insulation which exceeds the amount or quality of insulation required by building performance standards adopted by the
22 Alaska Energy Center under AS 46.12.120; and
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24
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26 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

27 (25) administer energy conservation programs set out in
28 AS 46.13.

29 * Sec. 4. AS 44.33.040(17)(B) is amended to read:

1 (B) make grants for recipients eligible for [TO MATCH]
2 grants from [MADE BY] the United States Department of Energy under
3 the appropriate technology small grants program for Alaska autho-
4 rized by Title I of the Department of Energy Appropriation Authori-
5 zation Act of 1977, P.L. 95-39 (42 U.S.C. 5907a) and 10 C.F.R. 470;
6 * Sec. 5. AS 44.33.040 is amended by adding new paragraphs to read:

7 (18) administer

8 (A) the residential energy conservation program (AS 46.-
9 13.200 - 46.13.249);

10 (B) the low-income conservation assistance program
11 (AS 46.13.250 - 46.13.279);

12 (19) coordinate regional energy planning;

13 (20) coordinate energy planning with the reconnaissance
14 studies prepared by the Alaska Power Authority under AS 44.83.177.

15 * Sec. 6. AS 44.83.010 is amended to read:

16 Sec. 44.83.010. LEGISLATIVE FINDING AND POLICY. (a) The legis-
17 lature finds, determines and declares that

18 (1) there exist numerous potential hydroelectric and fossil
19 fuel gathering sites in the state;

20 (2) the establishment of energy [POWER] projects at these
21 sites is necessary to supply energy [POWER] at the lowest reasonable
22 cost to the state's municipal electric, rural electric, cooperative
23 electric, and private electric utilities, and regional electric authori-
24 ties, and thereby to the consumers of the state, as well as to supply
25 existing or future industrial needs;

26 (3) the achievement of the goals of lowest reasonable con-
27 sumer energy [POWER] costs and beneficial long-term economic growth and
28 of establishing, operating and developing energy [POWER] projects in
29 the state will be accelerated and facilitated by the creation of an

1 instrumentality of the state with powers to construct, acquire, finance,
2 and operate energy [POWER] projects.

3 (b) It is declared to be the policy of the state, in the interests
4 of promoting the general welfare of all the people of the state, and
5 public purposes, to reduce consumer energy [POWER] costs and otherwise
6 to encourage the long-term economic growth of the state, including the
7 development of its natural resources, through the establishment of
8 energy [POWER] projects by creating the public corporation with powers,
9 duties and functions as provided in this chapter.

10 * Sec. 7. AS 44.83.070 is amended to read:

11 Sec. 44.83.070. PURPOSE OF THE AUTHORITY. The purpose of the
12 authority is to promote, develop and advance the general prosperity and
13 economic welfare of the people of Alaska by providing a means of con-
14 structing, acquiring, financing and operating

15 (1) energy [POWER] production facilities, limited to fossil
16 fuel; [,] wind; and [POWER,] tidal, geothermal, hydroelectric, or solar
17 energy production; [AND]

18 (2) waste energy use [CONSERVATION] facilities; and

19 (3) energy conservation improvements.

20 * Sec. 8. AS 44.83.080(5) is amended to read:

21 (5) to acquire, whether by construction, purchase, gift or
22 lease, and to improve, equip, operate, and maintain energy [POWER]
23 projects;

24 * Sec. 9. AS 44.83.080(10) is amended to read:

25 (10) to enter into contracts with the United States or any
26 person and, subject to the laws of the United States and subject to
27 concurrence of the legislature, with a foreign country or its agencies,
28 for the financing, construction, acquisition, operation and maintenance
29 of all or any part of an energy [A POWER] project, either inside or

1 outside the state, and for the sale or transmission of energy [POWER]
2 from a project or any right to the capacity of it or for the security
3 of any bonds of the authority issued or to be issued for the project;

4 * Sec. 10. AS 44.83.080(11) is amended to read:

5 (11) to enter into contracts with any person and with the
6 United States, and, subject to the laws of the United States and subject
7 to the concurrence of the legislature, with a foreign country or its
8 agencies for the purchase, sale, exchange, transmission, or use of
9 energy [POWER] from a project, or any right to the capacity of it;

10 * Sec. 11. AS 44.83.080(12) is amended to read:

11 (12) to apply to the appropriate agencies of the state, the
12 United States and to a foreign country and any other proper agency for
13 the permits, licenses, or approvals as may be necessary, and to con-
14 struct, maintain and operate energy [POWER] projects in accordance with
15 the licenses or permits, and to obtain, hold and use the license and
16 permits in the same manner as any other person or operating unit;

17 * Sec. 12. AS 44.83.080(13) is amended to read:

18 (13) to perform reconnaissance studies, feasibility studies,
19 and engineering and design with respect to energy [POWER] projects;

20 * Sec. 13. AS 44.83.080(16) is amended to read:

21 (16) to recommend to the legislature

22 (A) the issuance of general obligation bonds of the
23 state to finance the construction of an energy [A POWER] project
24 if the authority first determines that the project cannot be
25 financed by revenue bonds of the authority at reasonable rates of
26 interest;

27 (B) the pledge of the credit of the state to guarantee
28 repayment of all or any portion of revenue bonds issued to assist
29 in construction of energy [POWER] projects;

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- (C) an appropriation from the general fund
 - (i) for debt service on bonds or other project purposes; or
 - (ii) to reduce the amount of debt financing for the project;

(D) an appropriation to the energy [POWER] project fund for a power project;

(E) an appropriation of a part of the income of the renewable resources investment fund for an energy [A POWER] project;

(F) development of a project under financing arrangements with other entities using leveraged leases or other financing methods.

* Sec. 14. AS 44.83.090 is amended to read:

Sec. 44.83.090. ENERGY [POWER] CONTRACTS AND THE ALASKA PUBLIC UTILITIES COMMISSION. (a) The authority shall, in addition to the other methods which it may find advantageous, provide a method by which municipal electric, rural electric, cooperative electric, or private electric utilities and regional electric authorities, or other persons authorized by law to engage in the distribution of energy [ELECTRICITY] may secure a reasonable share of the energy [POWER] generated by a project, or any interest in a project, or for any right to the energy [POWER] and shall sell the energy [POWER] or cause the energy [POWER] to be sold at the lowest reasonable prices which cover the full cost of the energy [ELECTRICITY] or services, including capital and operating costs, debt coverage as considered appropriate by the authority, and other charges that may be authorized by this chapter. A contract for the sale, transmission and distribution of energy [POWER] generated by a project or any right to the capacity of it shall provide:

1 (1) for payment of all operating and maintenance expenses of
2 a project and costs of renewals, replacements and improvements of it;

3 (2) for interest on and amortization charges sufficient to
4 retire bonds of the authority issued for the project and reserves for
5 them, plus a debt service coverage factor as may be determined by the
6 authority to be necessary for the marketability of its bonds;

7 (3) for monitoring of the project by the authority or its
8 agents;

9 (4) for full and complete disclosure to the authority of all
10 factors of cost in the transmission and distribution of energy [POWER],
11 so that rates to any persons may be fixed initially in the contract and
12 may be adjusted from time to time on the basis of true cost data;

13 (5) for periodic revisions of the service and rates to
14 persons on the basis of accurate cost data obtained by the accounting
15 methods and systems approved by the directors and in furtherance and
16 effectuation of the policy declared in this chapter;

17 (6) for the cancellation and termination of a contract upon
18 violation of its terms by any person;

19 (7) for security for performance as the authority may con-
20 sider practicable and advisable, including provisions assuring the
21 continuance of the distribution and transmission of energy [POWER]
22 generated by a project and the use of its facilities for these purposes;
23 and

24 (8) other terms not inconsistent with the provisions and
25 policy of this chapter as the authority may consider advisable.

26 (b) The authority is not subject to the jurisdiction of the
27 Alaska Public Utilities Commission. Nothing in this chapter grants the
28 authority any jurisdiction over the services or rates of any public
29 utility or diminishes or otherwise alters the jurisdiction of the

1 Alaska Public Utilities Commission with respect to any public utility,
2 including any right the commission may have to review and approve or
3 disapprove contracts for the purchase of energy [ELECTRICITY] by a
4 public utility.

5 * Sec. 15. AS 44.83.110(a)(1)(B) is amended to read:

6 (B) the fixing and collection of rentals, charges, fees
7 or other consideration for, and the other terms to be incorporated
8 in, contracts with respect to a project or to energy [GENERATED
9 POWER];

10 * Sec. 16. AS 44.83.110(a)(1)(C) is amended to read:

11 (C) the assignment by the authority of its rights in
12 contracts with respect to a project or to energy [GENERATED POWER]
13 or in a mortgage or other security interest created with respect
14 to a project or energy [GENERATED POWER] to a trustee for the
15 benefit of bondholders;

16 * Sec. 17. AS 44.83.110(b) is amended to read:

17 (b) Notwithstanding any other provisions of this chapter, the
18 trust agreement shall contain a covenant by the authority that it will
19 at all times maintain rates, fees or charges sufficient to pay, and
20 that a contract entered into by the authority for the sale, transmission
21 or distribution of energy [POWER] shall contain rates, fees or charges
22 sufficient to pay the costs of operation and maintenance of the project,
23 the principal of and interest on bonds issued under the trust agreement
24 as the same severally become due and payable, to provide for debt
25 service coverage as considered necessary by the authority for the
26 marketing of its bonds and to provide for renewals, replacements and
27 improvements of the project, and to maintain reserves required by the
28 terms of the trust agreement.

29 * Sec. 18. AS 44.83.170 is amended to read:

1 Sec. 44.83.170. ENERGY [POWER] PROJECT FUND. (a) There is
2 established as a separate fund the energy [POWER] project fund which
3 shall be distinct from any other money or funds of the authority, and
4 which includes only money appropriated by the legislature.

5 (b) The authority may make loans from the energy [POWER] project
6 fund

7 (1) to electric utilities, regional electric authorities,
8 municipalities, cities, boroughs, regional and village corporations,
9 village councils, and nonprofit marketing cooperatives to pay the costs
10 of

11 (A) reconnaissance studies, feasibility studies, license
12 and permit applications, preconstruction engineering, and design
13 of energy [POWER] projects;

14 (B) constructing, equipping, modifying, improving, and
15 expanding small-scale energy [POWER] production facilities, con-
16 servation facilities, bulk fuel storage facilities, and transmis-
17 sion and distribution facilities, including energy production,
18 transmission and distribution, and [WASTE] energy conservation
19 facilities which depend on fossil fuel, wind power, tidal, geo-
20 thermal, biomass, hydroelectric, solar or other non-nuclear energy
21 sources; and

22 (C) reconnaissance studies, preconstruction engineering,
23 design, construction, equipping, modification, and expansion of
24 potable water supply including surface storage and groundwater
25 sources and transmission of water from surface storage to existing
26 distribution systems;

27 (2) to a borrower for an energy [A POWER] project if

28 (A) the loan is entered into under a leveraged lease
29 financing arrangement;

1 (B) the party which will be responsible for the energy
2 [POWER] project is an electric utility, regional electric author-
3 ity, municipality, city, borough, regional or village corporation,
4 village council, or nonprofit marketing cooperative; and

5 (C) the borrower seeking the loan demonstrates to the
6 authority that the financing arrangement for the energy [POWER]
7 project will reduce project financing costs below costs of compar-
8 able public energy [POWER] projects.

9 (c) Before making a loan from the energy [POWER] project fund,
10 the authority shall, by regulation, specify

11 (1) standards for the eligibility of borrowers and the types
12 of projects to be financed with loans;

13 (2) standards regarding the technical and economic viability
14 and revenue self-sufficiency of eligible projects;

15 (3) collateral or other security required for loans;

16 (4) the terms and conditions of loans;

17 (5) criteria to establish financial feasibility and to
18 measure the amount of state assistance necessary for particular projects
19 to meet the financial feasibility criteria; and

20 (6) other relevant criteria, standards or procedures.

21 (d) Any loan made by the authority must be made according to the
22 standards, criteria, and procedures established by regulation under
23 this section.

24 (e) Repayment of the loans shall be secured in any manner which
25 the authority determines is feasible to assure prompt repayment under a
26 loan agreement entered into with the borrower. The authority may make
27 an unsecured loan from the energy [POWER] project fund to a borrower
28 regulated by the Alaska Public Utilities Commission under AS 42.05 if
29 the borrower has a substantial history of repaying long-term loans and

1 the capacity to repay the loan. Under a loan agreement, repayment may
2 be deferred for 10 years or until the project for which the loan is
3 made has achieved earnings from its operations sufficient to pay the
4 loan, whichever is earlier.

5 (f) Energy [POWER] projects are subject to the following limita-
6 tions on interest and specific restrictions:

7 (1) Energy [POWER] projects for which loans are outstanding
8 from the water resources revolving loan fund (AS 45.86) on July 13,
9 1978, may receive additional financing from the energy [POWER] project
10 fund; the additional financing, if granted,

11 (A) shall be granted for a term not exceeding 50 years;

12 (B) shall be granted at an interest rate of not less
13 than three or more than five percent a year on the unpaid balance;

14 (C) shall be conditioned on the repayment of loan
15 principal and interest to begin on the earlier of

16 (i) the date of the start of commercial operation
17 of the project; or

18 (ii) 10 years from the date the loan is granted.

19 (2) Loans for energy [POWER] projects

20 (A) shall be granted for a term not to exceed 50 years;

21 and

22 (B) shall be granted at an interest rate which is not
23 less than five percent and which is the lesser of

24 (i) a rate equal to the percentage which is the
25 average weekly yield of municipal bonds for the 12 months
26 preceding the date of the loan, as determined by the authority
27 from municipal bond yield rates reported in the 30-year
28 revenue bond index of the Weekly Bond Buyer; or

29 (ii) a rate determined by the authority which

1 allows the project to meet criteria of financial feasibility
2 established under AS 44.83.170(c).

3 (g) Loan repayments and interest earned by loans from the energy
4 [POWER] project fund shall be deposited in the state general fund.

5 (h) The legislature may forgive the repayment of a loan made from
6 the energy [POWER] project fund for a reconnaissance study or a feasi-
7 bility study when the authority finds that the energy [POWER] project
8 for which the loan was made is not feasible.

9 * Sec. 19. AS 44.83.177(a) is amended to read:

10 (a) To identify energy [POWER] project alternatives for a com-
11 munity or region, the authority shall, after consultation with other
12 state agencies and after review of information on alternative sources
13 of energy [POWER], complete a reconnaissance study for each proposed
14 new energy [POWER] project.

15 * Sec. 20. AS 44.83.177(b) is repealed and reenacted to read:

16 (b) A reconnaissance study shall

17 (1) identify the present and anticipated electrical and
18 thermal energy requirements of a community or region;

19 (2) survey all electrical and thermal energy sources avail-
20 able to the community or region and evaluate the relative economic
21 merits of alternative sources of power and heat, including energy
22 conservation;

23 (3) assess the effect of development of alternative sources
24 of power and heat on the environment so as to assure that there is no
25 adverse effect to the environment which would make the project inadvis-
26 able; and

27 (4) include public comment from residents of the community
28 and adjacent area.

29 * Sec. 21. AS 44.83.177(c)(2) is amended to read:

1 (2) standard criteria and measures for comparative analysis
2 of alternative energy [POWER] sources.

3 * Sec. 22. AS 44.83.179(c) is amended to read:

4 (c) For purposes of this section, an energy [A POWER] project is
5 approved if the reconnaissance study for the project has not been
6 disapproved by the division of budget and management within 30 days of
7 submission of the reconnaissance study for the project to it by the
8 authority.

9 * Sec. 23. AS 44.83.181(c)(7) is amended to read:

10 (7) a loan from the energy [POWER] project fund (AS 44.83.-
11 170(a)), or from the renewable resources investment fund (AS 37.11.050);
12 or

13 * Sec. 24. AS 44.83.187(a)(1) is amended to read:

14 (1) requires an appropriation from the state general fund,
15 from the energy [POWER] project fund, or from the renewable resources
16 funds; or

17 * Sec. 25. AS 44.83.195 is amended to read:

18 Sec. 44.83.195. OPERATION OF PROJECTS. (a) When a project is
19 operated by the authority, the authority shall enter into one or more
20 contracts for the sale of electrical energy [POWER] from the project.
21 A contract entered into under this section shall meet all requirements
22 of AS 44.83.090.

23 (b) If, at the expiration of a contract entered into by the
24 authority under (a) of this section, revenues earned by the authority
25 under the contract exceed expenses of the authority for the project, an
26 amount equal to the excess shall be used by the authority to reduce
27 rates or improve services to consumers served by the energy [POWER]
28 project.

29 * Sec. 26. AS 44.83.230(4) is amended to read:

1 (4) "energy [POWER] project" or "project" means a plant,
2 works, system, facility, water rights, fuel deposits or sources, and
3 real estate and personal property [OF ANY NATURE WHATSOEVER], together
4 with all facilities and appurtenances related to them or necessary for
5 the purposes of them, used or useful in electrical or thermal [POWER]
6 production limited to fossil fuel, wind power, tidal, geothermal,
7 hydroelectric, or solar energy production and waste heat utilization
8 and energy conservation and the transmission, purchase, sale, exchange
9 and interchange of electrical or thermal [POWER], and shall include any
10 interest in them, whether divided or undivided, or any right to the
11 capacity of them;

12 * Sec. 27. AS 44.83.230(7) is amended to read:

13 (7) "reconnaissance study" means a study conducted for the
14 purpose of assessing the present and future electrical and thermal
15 energy [POWER] needs of an area under AS 44.83.177;

16 * Sec. 28. AS 44.83.230(8)(A) is amended to read:

17 (A) means a study conducted for the purpose of estab-
18 lishing the economic and environmental practicality of completing
19 a proposed energy [POWER] project under AS 44.83.181;

20 * Sec. 29. AS 46.11.030(a)(1) is amended to read:

21 (1) establish criteria for the performance of energy audits
22 of

23 (A) commercial and industrial buildings located in the
24 state;

25 (B) cultural facilities; and

26 (C) public buildings;

27 * Sec. 30. AS 46.11.030(a) is amended by adding new paragraphs to read:

28 (4) establish procedures by which to assure prompt payment
29 for energy audits performed under (e) of this section;

1 (5) evaluate the costs and benefits of the energy audit
2 program established by this section.

3 * Sec. 31. AS 46.11.030(b) is amended to read:

4 (b) The commissioner of commerce and economic development may
5 contract with persons certified under AS 44.33.040(16) to perform
6 energy audits. The commissioner of commerce and economic development
7 may negotiate contracts [OR MAKE CONTRACTS] on the basis of competitive
8 bids.

9 * Sec. 32. AS 46.11.030(c) is amended to read:

10 (c) The department may contract

11 (1) with a municipality for the performance of energy audits
12 in the municipality;

13 (2) with a nonprofit corporation for the performance of
14 energy audits in any community which the nonprofit corporation serves.

15 * Sec. 33. AS 46.11 is amended by adding new sections to read:

16 Sec. 46.11.032. CLASSIFICATION OF AUDITS. In establishing stan-
17 dards for energy audits of residences under AS 46.11.030(a), the depart-
18 ment shall provide criteria for performance of

19 (1) abbreviated audits that

20 (A) identify the energy conservation improvements
21 defined in AS 46.13.249(4) which are appropriate to the residence;

22 (B) identify other low-cost improvements which a resi-
23 dent may make to conserve energy;

24 (C) advise the resident of possible conservation prac-
25 tices; and

26 (D) recommend areas to be analyzed in a detailed energy
27 audit;

28 (2) detailed audits that

29 (A) analyze building characteristics;

1 (B) evaluate the applicability of structural retrofit,
2 upgrading, and the replacement of energy systems with alternative
3 energy systems;

4 (C) recommend appropriate alternative energy systems
5 for the residence; and

6 (D) provide to the resident an estimate of the costs to
7 implement the recommended measures, and an estimate of the time in
8 which the estimated cost of the energy saved by implementation of
9 the recommended measures exceeds the cost of implementing the
10 recommended measures.

11 Sec. 46.11.034. ENERGY AUDIT FEES. (a) Unless exempted by
12 AS 46.11.036, a person requesting an energy audit is required to pay
13 for the audit.

14 (b) The fee for an abbreviated audit of a residence is \$15.

15 (c) The fee for a detailed audit of a residence may be determined
16 by the person performing the audit.

17 (d) The fee for an audit of a commercial or industrial building
18 shall be established by regulations adopted by the commissioner of
19 commerce and economic development in accordance with the Administrative
20 Procedure Act (AS 44.62).

21 Sec. 46.11.036. REIMBURSEMENT FOR ENERGY AUDIT FEE. (a) The
22 department shall reimburse persons performing an abbreviated audit of a
23 residence in the state for the cost, in excess of the \$15 fee, of per-
24 forming the energy audit. Reimbursement under this section may include
25 reimbursement of an administrative cost.

26 (b) Reimbursement under this section for an energy audit may not
27 exceed \$50 for an audit, adjusted by a regional cost-of-living index
28 determined by the department.

29 (c) For purposes of this section, a "regional cost-of-living

1 index" is determined by calculating the cost of living in each election
2 district of the state by using the cost of living in Anchorage as a
3 base of 1.00.

4 * Sec. 34. AS 46.11.900(1)(B)(ii) is amended to read:

5 (ii) a method of architectural design and construc-
6 tion which provides for the collection, storage and use of
7 direct radiation from the sun or which provides for the re-
8 tention of heat by the use of an amount or quality of insula-
9 tion which exceeds the amount or quality of insulation re-
10 quired by building performance standards adopted by the
11 Alaska Energy Center under AS 46.12; and

12 * Sec. 35. AS 46.11.900(3) is amended to read:

13 (3) "energy audit" means a determination and written summary
14 prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy
15 Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

16 [(A) THE ENERGY CONSUMPTION CHARACTERISTICS OF A BUILD-
17 ING, INCLUDING THE SIZE, TYPE, AND RATE OF ENERGY CONSUMPTION OF
18 MAJOR ENERGY CONSUMING SYSTEMS OF THE BUILDING AND THE CLIMATE
19 CHARACTERIZING THE REGION WHERE THE BUILDING IS LOCATED; AND

20 (B)] the energy [CONSERVATION AND COST] savings likely
21 to result from appropriate energy-conserving maintenance and
22 operating procedures and modifications, including the purchase and
23 installation of energy-related fixtures; [FOR PURPOSES OF THIS
24 SUBPARAGRAPH WHEN A FOSSIL FUEL IS THE ENERGY SOURCE, THE ENERGY
25 COST SAVINGS SHALL BE DETERMINED WITH REFERENCE TO THE PROJECTED
26 PRICE OF THAT FOSSIL FUEL OVER A 10-YEAR PERIOD;]

27 * Sec. 36. AS 46.11.900 is amended by adding a new paragraph to read:

28 (10) "cultural facility" means a structure or complex the
29 principal purpose of which is to serve the visual and performing arts,