

HB

303

<target><bill>HB 303</bill><subject>HB
303</subject><comm>HENE26</comm></target>

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January – April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835



Interim: May – December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
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Official Business

Hearing Request

HB 303 - Energy Efficient Small Business Grant Fund and Program

February 4, 2010

Representative Charisse Millett, Chair
Representative Bryce Edgmon, Co-Chair
House Energy Special Committee
Room 124, State Capitol
Juneau, Alaska 99801

At your earliest convenience, I respectfully request a hearing on House Bill 303 "An Act establishing the Alaska energy efficient small business grant fund and program".

This legislation expands the concept of the Alaska Housing Finance Corporation's Home Energy Rebate Program to include small businesses. The small business energy rebate program would allow small business owners wishing to make energy efficiency improvements on their businesses to receive a rebate for some of their expenditures. House Bill 303 will improve energy efficiency throughout the state and will provide energy savings for small business owners.

Please do not hesitate to contact me or my staff, Jennifer Senette, at 465-4530 with any questions or concerns about this legislation. I look forward to hearing from you and discussing this bill in further detail.

Thank you for your consideration.

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE PETERSEN

TO: HB 303

1 Page 2, lines 2 - 13:

2 Delete all material and insert:

3 "(b) Subject to appropriation and for the purpose of improving energy
4 efficiency in small businesses in the state, the corporation may make a grant from the
5 Alaska energy efficient small business grant fund to the owner of a qualifying business
6 in the state for the purpose of

7 (1) retrofitting an existing business structure or building a new
8 business structure in the state if

9 (A) the assessed value of the structure to be retrofitted or
10 constructed with the proceeds of the grant does not exceed \$1,000,000;

11 (B) the structure to be retrofitted or constructed with the
12 proceeds of the grant is owned and occupied by the qualifying business; and

13 (C) the retrofit or construction meets other criteria that are
14 adopted by the corporation in regulation; or

15 (2) improving energy efficiency of equipment of a qualifying business
16 or upgrading to more energy efficient equipment of a qualifying business if the
17 equipment is located in the state and the value of the equipment does not exceed
18 \$1,000,000."

19

20 Page 2, line 20, following "AS 18.56.410":

21 Insert "and must include a provision for requiring an applicant to show a quantifiable
22 increase in energy efficiency for the proposed retrofit"

23

1 Page 2, following line 20:

2 Insert new subsections to read:

3 "(d) A grant may not be made under this section to a qualifying business if any
4 of the applicants for the grant has outstanding liabilities to the state at the time of
5 making application for the grant under this section.

6 (e) In this section, "qualifying business" means a business that

7 (1) is owned by a person who is licensed to do business under
8 AS 43.70 and not licensed in a state other than Alaska or by persons all of whom are
9 licensed to do business under AS 43.70; and

10 (2) employs not more than 50 total employees, including the
11 employees of a parent company, sister company, or subsidiary of the business."

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Sponsor Statement

HB 303 - Energy Efficient Small Business Grant Fund and Program

Rising energy costs in Alaska mean that energy expenditures have an increasingly substantial impact on the bottom line of small businesses in the state. As such, building energy efficient business structures is in the interest of any small business owner who wishes to save energy and money.

Currently, the state provides an incentive for homeowners to improve the energy efficiency of their homes through the Alaska Housing Finance Corporation's Home Energy Rebate Program. House Bill 303 expands the current Home Energy Rebate Program to help small business owners optimize energy usage at the lowest possible cost.

The Small Business Energy Rebate Fund and Program would allow small business owners wishing to make energy efficiency improvements on their businesses to receive a rebate for some of their expenditures. The program requires an energy rater to evaluate the business structure before and after the improvements. Rebates would then be dependent on the relative amount of efficiency gained and receipts from eligible improvements chosen by the business owner from the energy rating's improvement options list.

There are over 16,000 small employers in Alaska today. Extending the energy efficiency grants that homeowners enjoy to small business owners is one way to encourage energy efficiency and to help the small business owners that are such an important source of employment and opportunity in Alaska.

I respectfully ask for your consideration of this bill and look forward to hearing your questions and concerns.

Email: Representative_Kurt_Olson@legis.state.ak.us

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Sectional Summary

HB 303 - Energy Efficient Small Business Grant Fund and Program

The following is a sectional summary of HB 303 and is not an authoritative representation of the bill. For an authoritative interpretation, please refer to the bill itself.

Section 1: amends AS 18.56.010 which establishes the purpose for the Alaska Housing Finance Corporation

Subsection (h) is added enabling the Alaska Housing Finance Corporation to expand the concept of the Alaska energy efficient home grant fund to include small businesses

Section 2: amends AS 18.56 by adding new section titled Alaska Energy Efficient Small Business Grant Fund

Subsection (a) establishes the Alaska energy efficient small business grant fund in the corporation

Subsection (b) permits the corporation to make a grant from the fund to qualifying businesses provided that

- 1) the assessed value of the structure to be retrofitted or constructed with the grant does not exceed \$1,000,000.00
- 2) the structure is owned by a person who is licensed to do business in the state or by persons who are licensed to do business in the state, and that none of the grant applicants have outstanding liabilities to the state,
- 3) the structure meets other criteria adopted by the corporation - *DHFC*

Subsection (c) requires the corporation to adopt guidelines and procedures setting out the criteria for administration of the Alaska energy efficient small business grant fund

NFIB

The Voice of Small Business

ALASKA

February 17, 2010

The Honorable Kurt Olson
State Capitol Building
Juneau, Alaska 99801-1182

RE: Houser Bill 303

Dear Representative Olson:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 303. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

The cost of energy is a critical issue to the many small businesses in Alaska as it has a direct impact on the profitability of the business. Thus, building energy efficient business structures is in the interest of small business owners.

The Small Business Energy Rebate Fund and Program, proposed in House Bill 303, would allow small business owners wishing to make energy efficiency improvements on their businesses to receive a rebate for some of their expenditures. The program requires an energy rater to evaluate the business structure before and after the improvements. Rebates would then be dependent on the relative amount of efficiency gained and receipts from eligible improvements chosen by the business owner from the energy rating's improvement options list.

This approach will assist many Alaskan small business owners improve their operational efficiency by reducing the use of energy and lower the cost of operations.

We appreciate your concern with the viability of many of Alaska's small businesses.

Sincerely yours,


Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council
House Energy Committee

Alaska State Legislature


State Capitol, Suite 422
Juneau, AK 99801-1182
Phone: 465-4939
Fax: 465-2418
Toll Free: (800) 465-4939
Representative_Pete_Petersen@legis.state.ak.us



716 W. 4th Ave, Suite 380
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Phone: 269-0265
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Representative Pete Petersen
Serving Northeast Anchorage and Muldoon

MEMORANDUM

DATE: February 22, 2010
TO: House Energy Committee Members
CC: Rep. Kurt Olson
FROM: Rep. Pete Petersen 
RE: Amendment to House Bill 303

My amendment to HB 303 would make the following changes to the original version of the bill:

- Explicitly add that grants under this bill must be for improving energy efficiency, and any regulations or guidelines issued under this bill must require a quantifiable increase in energy efficiency,
- Allow grants for business equipment, not just for structures,
- Clarify that grants must be for projects in Alaska,
- Limit eligibility for grants to Alaskan businesses, and
- Limit eligibility to businesses with 50 or fewer employees.

Thank you for your consideration. Please feel free to call me, or my aide David Dunsmore, at 465-4939 with any questions or concerns.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 303
() Publish Date: _____

Identifier (file name): HB303-DOR-AHFC-2-11-10 Dept. Affected: Revenue
Title: SMALL BUSINESS ENERGY EFFICIENCY GRANTS RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Representative Olson
Requester: _____ Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services	145.0		145.0	145.0	145.0	145.0	145.0
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	155.0	0.0	155.0	155.0	155.0	155.0	155.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1103AHFC Receipts	155.0		155.0	155.0	155.0	155.0	155.0
TOTAL	155.0	0.0	155.0	155.0	155.0	155.0	155.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	2.0		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

HB 303 would establish an Alaska Energy Efficient Small Business Grant Fund in the Alaska Housing Finance Corporation. Making the assumption that this program would be funded at between \$1 million and \$10 million annually, the Corporation would need one Grants Administrator I and one Administrative Assistant I along with \$10,000 in travel to monitor the program.

A larger amount of funding would likely require a larger number of staff for the administration of the program.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs Phone 330-8445
Division: Alaska Housing Finance Corporation Date/Time 2-12-10; 5:06pm
Approved by: Ginger Blaisdell, Director Date 2-14-10; 4:33pm
Administrative Services Division