

SENATE BILL NO. 212

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY SENATOR EGAN

Introduced: 1/19/10

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing municipalities to designate energy improvements areas and to**
2 **establish energy improvements programs and relating to those programs."**

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

4 *** Section 1.** AS 29.35 is amended by adding a new section to read:

5 **Sec. 29.35.052. Energy improvements program.** (a) A municipality may by
6 ordinance designate an energy improvements area and establish an energy
7 improvements program to make loans to owners of real property within the area for
8 cost-effective energy improvements to existing residential, commercial, or industrial
9 buildings on the property. At least 30 days before adopting an ordinance under this
10 section, the municipality shall provide an explanation of the proposed program to
11 utilities that distribute electricity or natural gas in the area in which the proposed
12 program will operate. The ordinance may establish

13 (1) a loan application process that includes an energy audit of the
14 building proposed to be improved and other requirements to ensure that the loan will

1 be used for energy improvements that are cost-effective and otherwise consistent with
2 the purpose of the program;

3 (2) loan terms, including interest rates;

4 (3) application and loan fees sufficient to pay the administrative and
5 financing costs of the program, included costs associated with loan delinquencies; and

6 (4) requirements and conditions to ensure timely repayment of loans
7 and fees imposed under the program.

8 (b) A municipality that establishes an energy improvements program may
9 secure a loan under the program with a lien on the benefited property and enforce the
10 lien as provided for special assessments. In addition, the municipality may require any
11 other security for a loan that the municipality determines to be reasonable.

12 (c) A municipality may issue special assessment bonds under AS 29.46.140 to
13 finance its energy improvements program. The municipality may apply for grants or
14 other funding from the state or federal government for the program and enter into
15 agreements regarding the grants or funding.

16 (d) Subject to appropriations for the purpose, the department may lend money
17 to a municipality that establishes an energy improvements program under this section
18 for costs of the program. The department shall, by regulation, establish the types and
19 extent of energy improvements that may be financed in whole or part with money
20 provided by the department under this subsection. In determining the types and extent
21 of energy improvements that may be financed, the department shall consider the
22 amount of energy that can be conserved and the cost-effectiveness of particular types
23 of energy improvements.

24 (e) In this section, "energy improvements" means energy efficiency or
25 renewable energy improvements that are authorized under an energy improvements
26 program adopted by a municipality under this section.