

1 By: Bryce J. Ward, Mayor
2 Marna Sanford
3 Matt Cooper
4 Introduced: 01/28/2021
5 Advanced: 01/28/2021
6 Adopted: 02/11/2021
7 Immediate
8 Reconsideration Failed: 02/11/2021
9 Adopted: 02/11/2021

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11 FAIRBANKS NORTH STAR BOROUGH

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13 ORDINANCE NO. 2021 – 03

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15 AN ORDINANCE AMENDING CHAPTER 8.04 FNSBC TO ADD AN ENERGY EFFICIENT
16 NEW CONSTRUCTION TAX CREDIT PROGRAM

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18 WHEREAS, The 31st Alaska Legislature authorized, and the Governor signed
19 House Bill 232 (HB 232) with an effective date of July 19, 2020; and
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21 WHEREAS, HB 232 amended Alaska Statutes by adding a new Section
22 29.45.049 authorizing municipalities to develop an energy efficient construction tax credit
23 program; and
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25 WHEREAS, The Fairbanks North Star Borough (Borough) program is aimed
26 at only new construction; and
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28 WHEREAS, Higher quality construction that incorporates energy efficiency
29 into the design benefits the occupant and the community by reducing the energy per
30 square foot requirements of such buildings compared to standard building code minimum
31 requirements; and
32

33 WHEREAS, Energy efficient building techniques can pay for themselves and
34 will save building occupants money over time; and
35

36 WHEREAS, The best time to incorporate features that reduce energy
37 consumption and promote energy efficiency in buildings is at the planning and design
38 stages; and
39

40 WHEREAS, Reduced energy consumption not only benefits the occupant of
41 a building by reducing cost but also benefits the environment by reducing pollution; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED, CAPITALIZED]

42 WHEREAS, The cheapest form of energy is the one that is never consumed;
43 and

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45 WHEREAS, The energy efficient new construction tax credit is mirrored after
46 the successful Alaska Housing Finance Corporation home energy rebate program that
47 provided a rebate for six-star new construction; and

48
49 WHEREAS, It is in the economic best interest of the community to
50 incentivize projects that deliver high-quality construction into borough housing markets;
51 and

52
53 WHEREAS, The Borough's energy efficient new construction tax credit
54 program will be limited to the total credit amount appropriated by the Borough Assembly
55 annually.

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57 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
58 North Star Borough:

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60 Section 1. Classification. This ordinance is of a general and permanent
61 nature and shall be codified.

62
63 Section 2. FNSBC 8.04.145, Energy efficient new construction tax credit, is
64 hereby added as follows:

65 To the extent permitted by state law, the Fairbanks North Star Borough may offer an
66 energy efficient new construction tax credit that will offset a portion of the areawide
67 property taxes due on certain real property improvements made in the immediately
68 preceding tax year. This tax credit shall be subject to the following eligibility requirements,
69 conditions, and other criteria:

70 A. Tax credits shall be available only to the extent that funds, lawfully appropriated
71 for that purpose, are available to fund the tax credit. If the approved applications exceed
72 appropriations for this program, funds will be distributed on a pro-rata basis.

73 B. The owner of the property must meet and fully comply with all requirements of
74 any applicable program of the Fairbanks North Star Borough providing for an energy
75 efficiency tax credit.

76 C. To be eligible for a tax credit, the owner of the property must submit a completed
77 Borough-approved application before April 1st with verification and other documentation
78 required for the credit, including proof that:

79 1. Construction was for an entirely new residential structure(s) and not an
80 extension or modification of existing structures on the property;

81 2. Construction was completed during the immediately preceding tax year;

82 3. The structure provides living facilities for one or more persons and includes
83 permanent provisions for living, sleeping, eating, cooking, and sanitation; and

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84 4. The structure(s) achieved a six-star standard as certified by an eligible rater
85 using the Building Energy Efficiency Standards for Alaska, consisting of the International
86 Energy Conservation Code (IECC) of 2018, ASHRAE 62.2, 2016 and 2018 International
87 Residential Code, with Alaska Specific Amendments adopted November 28, 2018.

88 D. To the extent a tax credit is approved after application, that tax credit may be
89 claimed only in the initial qualifying year. A claim must be submitted on a Borough-
90 approved form after property taxes are paid in full for the applicable tax year and no later
91 than December 1st.

92 E. Applicants must have no delinquent property taxes or penalty or interest owing at
93 the time of application and at the time the tax credit is claimed.

94 F. A tax credit shall not exceed \$7,500 or the amount of areawide property taxes
95 attributable to the energy efficient improvements for that year, whichever is less.

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97 Section 3. Effective Date. This ordinance is effective at 5:00 p.m. on the
98 first Borough business day following its adoption.

99
100 ADOPTED THE 11TH DAY OF FEBRUARY 2021.

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106 
107 Mindy O'Neill
108 Presiding Officer

107
108 ATTEST:

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110 
111 April Trickey, CMC
112 Borough Clerk

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114 Yeses: Sanford, Cash, Lyke, Williams, Cooper, O'Neill
115 Noes: Tomaszewski, Wilson, Lojewski

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
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Text to be *deleted* is [BRACKETED, CAPITALIZED]