



# Fairbanks North Star Borough

MAYOR'S OFFICE

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## MEMORANDUM

TO: Fairbanks North Star Borough Assembly

From: Bryce Ward, Mayor *BW for BW*

Date: January 28, 2021

Subject: Ordinance 2021 –03  
An Ordinance Amending Chapter 8.04 FNSBC Adding and Energy Efficient New Construction Tax Credit Program

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Attached for your consideration is a proposed ordinance that would establish an energy efficient new construction tax credit program. If adopted, the program would allow a one-time property tax credit of up to \$7,500 for new residential construction built to a 6-star energy standard rating.

In consultation with the Chief Financial Officer, a Financial Impact Statement (FIS) is not needed at this time, nor was and FIS attached to the proposed ordinance. This ordinance would only establish the administrative components of the program – the Assembly would have to, by separate ordinance each year, fund the tax credit program.

I urge your adoption of this ordinance.

Attachments: Ordinance

/jw



1 By: Bryce J. Ward, Mayor  
2 Marna Sanford  
3 Matt Cooper  
4 Introduced: 01/28/2021  
5

6 FAIRBANKS NORTH STAR BOROUGH  
7  
8 ORDINANCE NO. 2021 – 03  
9

10 AN ORDINANCE AMENDING CHAPTER 8.04 FNSBC TO ADD AN ENERGY EFFICIENT  
11 NEW CONSTRUCTION TAX CREDIT PROGRAM  
12

13 WHEREAS, The 31<sup>st</sup> Alaska Legislature authorized, and the Governor signed  
14 House Bill 232 (HB 232) with an effective date of July 19, 2020; and  
15

16 WHEREAS, HB 232 amended Alaska Statutes by adding a new Section  
17 29.45.049 authorizing municipalities to develop an energy efficient construction tax credit  
18 program; and  
19

20 WHEREAS, The Fairbanks North Star Borough (Borough) program is aimed  
21 at only new construction; and  
22

23 WHEREAS, Higher quality construction that incorporates energy efficiency  
24 into the design benefits the occupant and the community by reducing the energy per  
25 square foot requirements of such buildings compared to standard building code minimum  
26 requirements; and  
27

28 WHEREAS, Energy efficient building techniques can pay for themselves and  
29 will save building occupants money over time; and  
30

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



59 Section 2. FNSBC 8.04.145, Energy efficient new construction tax credit, is  
60 hereby added as follows:

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

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

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

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

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

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

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

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

84 D. To the extent a tax credit is approved after application, that tax credit may be  
85 claimed only in the initial qualifying year. A claim must be submitted on a Borough-

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

86 approved form after property taxes are paid in full for the applicable tax year and no later  
87 than December 1<sup>st</sup>.

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

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

92  
93 Section 3. Effective Date. This ordinance is effective at 5:00 p.m. on the  
94 first Borough business day following its adoption.

95  
96 ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2021.  
97  
98  
99

100 \_\_\_\_\_  
101 Mindy O'Neall  
102 Presiding Officer

103 ATTEST:

APPROVED:

104  
105  
106 \_\_\_\_\_  
107 April Trickey, CMC  
108 Borough Clerk

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105  
106 Approved by JSD  
107 Jill S. Dolan  
108 Borough Attorney

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