AN ACT

Relating to school bond debt reimbursement.

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

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AN ACT

Relating to school bond debt reimbursement.

Section 1. AS 14.11.014 is amended by adding a new subsection to read:

(d) Notwithstanding any other provision of law, the committee may not recommend for approval an application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2020.

Section 2. AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of
(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are
submitted to the department for approval under AS 14.07.020(a)(11) before
July 1, 1983, and approved by the qualified voters of the municipality before
October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the
annual growth rate of average daily membership of the municipality is more
than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual
growth rate of average daily membership of the municipality is 12 percent or
more; payments made by a municipality under this subparagraph on total
project costs that exceed the amounts set out in (i) and (ii) of this subparagraph
are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year
for the retirement of principal and interest on outstanding bonds, notes, or
other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to
pay costs of school construction, additions to schools, and major
rehabilitation projects that exceed $25,000 and are approved under
AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before
November 1, 1989, to pay costs of school construction, additions to
schools, and major rehabilitation projects that exceed $25,000 and are
approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the
municipality during the fiscal year two years earlier to pay costs of school
construction, additions to schools, and major rehabilitation projects that exceed
$25,000 and are approved by the department before July 1, 1990, under
AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments
made by the municipality during the fiscal year for the retirement of principal and
interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
costs of school construction, additions to schools, and major rehabilitation projects
that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
funded by the bonds, notes, or other indebtedness have been approved by the
commissioner, 70 percent of payments made by a municipality during the fiscal year
for the retirement of principal and interest on outstanding bonds, notes, or other
indebtedness authorized by the qualified voters of the municipality on or after June 30,
1999, but before January 1, 2005, to pay costs of school construction, additions to
schools, and major rehabilitation projects and education-related facilities that exceed
$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
of payments made by a municipality during the fiscal year for the retirement of
principal and interest on outstanding bonds, notes, or other indebtedness authorized by
the qualified voters of the municipality on or after June 30, 1999, but before January 1,
2005, to pay costs of school construction, additions to schools, and major
rehabilitation projects and education-related facilities that exceed $200,000, are
reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
projects funded by the tax exempt bonds, notes, or other indebtedness have been
approved by the commissioner, 70 percent of payments made by a municipality during
the fiscal year for the retirement of principal and interest on outstanding tax exempt
bonds, notes, or other indebtedness authorized by the qualified voters of the
municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
school construction, additions to schools, and major rehabilitation projects and
education-related facilities that exceed $200,000, are approved under
AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
percent of payments made by a municipality during the fiscal year for the retirement
of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
authorized by the qualified voters of the municipality on or after June 30, 1999, but
before October 31, 2006, to pay costs of school construction, additions to schools, and
major rehabilitation projects and education-related facilities that exceed $200,000, are
reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under the former participating share amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015 [MAY 1, 2015], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section [;]

(18) SUBJECT TO (h), (i), AND (j)(2), (3), AND (5) OF THIS
SECTION, 50 PERCENT OF PAYMENTS MADE BY A MUNICIPALITY DURING THE FISCAL YEAR FOR THE RETIREMENT OF PRINCIPAL AND INTEREST ON OUTSTANDING TAX EXEMPT BONDS, NOTES, OR OTHER INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF THE MUNICIPALITY ON OR AFTER MAY 1, 2015, TO PAY COSTS OF SCHOOL CONSTRUCTION, ADDITIONS TO SCHOOLS, AND MAJOR REHABILITATION PROJECTS AND EDUCATION-RELATED FACILITIES THAT EXCEED $200,000, ARE REVIEWED UNDER AS 14.07.020(a)(11), AND ARE NOT REIMBURSED UNDER (o) OF THIS SECTION].

* Sec. 3. AS 14.11.100(a), as amended by sec. 2 of this Act, is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs
(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major
rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
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(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under the former participating share amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by
the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, but before January 1, 2015, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(18) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 50 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 2020, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 2020, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.
* Sec. 4. AS 14.11.100 is amended by adding a new subsection to read:

(s) Notwithstanding any other provision of law, the commissioner may not approve an application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2020.

* Sec. 5. AS 14.11.102 is amended by adding a new subsection to read:

(c) The commissioner may not allocate funds to a municipality under AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, 2020.

* Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1, 2020.

* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 1, 2, 4, and 5 of this Act are retroactive to January 1, 2015.