

CS FOR HOUSE BILL NO. 90(FIN) am S
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/8/01

Offered: 2/23/01

Sponsor(s): REPRESENTATIVE MULDER

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to reimbursement of municipal bonds for school construction; and**
2 **providing for an effective date."**

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

4 * **Section 1.** AS 14.11.100(a) is amended to read:

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

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

10 (2) 90 percent of

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

1 (B) cash payments made after June 30, 1976, and before July 1,
 2 1978, by the municipality during the fiscal year two years earlier to pay costs
 3 of school construction;

4 (3) 90 percent of

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

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

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

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

20 (B) cash payments made after June 30, 1982, and before July 1,
 21 1983, by the municipality during the fiscal year two years earlier to pay costs
 22 of school construction, additions to schools, and major rehabilitation projects
 23 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

24 (C) payments made by the municipality during the current
 25 fiscal year for the retirement of principal and interest on outstanding bonds,
 26 notes, or other indebtedness to pay costs of school construction, additions to
 27 schools, and major rehabilitation projects that exceed \$25,000 and are
 28 submitted to the department for approval under AS 14.07.020(a)(11) before
 29 July 1, 1983, and approved by the qualified voters of the municipality before
 30 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the
 31 annual growth rate of average daily membership of the municipality is more

1 than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth
 2 rate of average daily membership of the municipality is 12 percent or more;
 3 payments made by a municipality under this subparagraph on total project
 4 costs that exceed the amounts set out in (i) and (ii) of this subparagraph are
 5 subject to (5)(A) of this subsection;

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

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

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

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

18 (B) cash payments made after June 30, 1983, by the
 19 municipality during the fiscal year two years earlier to pay costs of school
 20 construction, additions to schools, and major rehabilitation projects that exceed
 21 \$25,000 and are approved by the department before July 1, 1990, under
 22 AS 14.07.020(a)(11);

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

29 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
 30 made by the municipality during the fiscal year for the retirement of principal and
 31 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified

1 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
2 costs of school construction, additions to schools, and major rehabilitation projects;

3 (8) subject to (h), (i), (j)(2) - (4), and (n) of this section and after
4 projects funded by the bonds, notes, or other indebtedness have been approved by the
5 commissioner, 70 percent of payments made by the municipality during the fiscal year
6 for the retirement of principal and interest on outstanding bonds, notes, or other
7 indebtedness authorized by the qualified voters of the municipality on or after July 1,
8 1995, but before July 1, 1998, to pay costs of school construction, additions to
9 schools, and major rehabilitation projects that exceed \$200,000 and are approved
10 under AS 14.07.020(a)(11);

11 (9) subject to (h), (i), (j), and (n) of this section and after projects
12 funded by the bonds, notes, or other indebtedness have been approved by the
13 commissioner, 70 percent of payments made by the municipality during the fiscal year
14 for the retirement of principal and interest on outstanding bonds, notes, or other
15 indebtedness authorized by the qualified voters of the municipality on or after July 1,
16 1998, but before July 1, 2004, to pay costs of school construction, additions to
17 schools, and major rehabilitation projects that exceed \$200,000 and are approved
18 under AS 14.07.020(a)(11);

19 (10) subject to (h), (i), (j)(2) - (4) [(j)], and (o) of this section, and after
20 projects funded by the bonds, notes, or other indebtedness have been approved by the
21 commissioner, 70 percent of payments made by the municipality during the fiscal year
22 for the retirement of principal and interest on outstanding bonds, notes, or other
23 indebtedness authorized by the qualified voters of the municipality on or after June 30,
24 1998, to pay costs of school construction, additions to schools, and major
25 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
26 and are not reimbursed under (n) of this section.

27 * **Sec. 2.** AS 14.11.100(j) is amended to read:

28 (j) Except as provided in (l) of this section, the state may not allocate money
29 to a municipality for a school construction project under (a)(5), (6), (7), or (9) [, OR
30 (10)] of this section unless the municipality complies with the requirements of (1) - (4)
31 of this subsection, the project is approved by the commissioner before the local vote

on the bond issue for the project or for bonds authorized after March 31, 1990, but on or before April 30, 1993, the bonds are approved by the commissioner before reimbursement by the state, and the local vote occurs before July 1, 1987, or after June 30, 1988. In approving a project under this subsection, and to the extent required under (a)(8) or (10) of this section, the commissioner shall require

(1) the municipality to include on the ballot for the bond issue, for bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated total cost of each project including estimated total interest, estimated annual operation and maintenance costs, the estimated amounts that will be paid by the state and by the municipality, and the approximate amount that would be due in annual taxes on \$100,000 in assessed value to retire the debt;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximately equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by establishing that the school district has

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment;

(B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes;

(C) demonstrated that the project will result in a reduction in annual operating costs that economically justifies the cost of the project; or

(D) facilities that require modification or rehabilitation for the purpose of improving the instructional program.

* **Sec. 3.** AS 14.11.100(o) is amended to read:

(o) The total amount of school construction projects approved for reimbursement by the department under (a)(10) of this section

(1) may not exceed \$180,064,912 [\$151,019,000]; and

(2) after June 30, 1998, and until July 1, 2004, shall be allocated as

1 follows:

2 (A) \$77,897,000 to projects in a municipality with a public
3 school enrollment of 25,000 or more students in fiscal year 2000, as
4 determined under AS 14.17.500;

5 (B) \$14,571,000 to projects in a municipality with a public
6 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
7 2000, as determined under AS 14.17.500;

8 (C) \$14,143,000 to projects in a municipality with a public
9 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
10 2000, as determined under AS 14.17.500;

11 (D) \$7,429,000 to projects in a municipality with a public
12 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
13 2000, as determined under AS 14.17.500;

14 (E) **\$20,712,912** [\$7,717,000] to projects in a municipality with
15 a public school enrollment of at least 5,000 but less than 7,500 students in
16 fiscal year 2000, as determined under AS 14.17.500;

17 (F) \$2,660,000 to projects in a municipality with a public
18 school enrollment of at least 2,750 but less than 3,000 students in fiscal year
19 2000, as determined under AS 14.17.500;

20 (G) \$454,000 to projects in a municipality with a public school
21 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
22 determined under AS 14.17.500;

23 (H) **\$36,290,000** [\$22,790,000] to projects in a municipality
24 with a public school enrollment of at least 2,050 but less than 2,400 students in
25 fiscal year 2000, as determined under AS 14.17.500;

26 (I) \$329,000 to projects in a municipality with a public school
27 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as
28 determined under AS 14.17.500;

29 (J) \$286,000 to projects in a municipality with a public school
30 enrollment of at least 650 but less than 725 students in fiscal year 2000, as
31 determined under AS 14.17.500;

1 (K) \$519,000 to projects in a municipality with a public school
 2 enrollment of at least 500 but less than 525 students in fiscal year 2000, as
 3 determined under AS 14.17.500;

4 (L) \$2,224,000 to projects in a municipality with a public
 5 school enrollment of at least 425 but less than 482 students in fiscal year 2000,
 6 as determined under AS 14.17.500;

7 **(M) \$2,550,000 to projects in a municipality with a public**
 8 **school enrollment of at least 290 but less than 305 students in fiscal year**
 9 **2000, as determined under AS 14.17.500.**

10 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 11 read:

12 RETROACTIVITY. This Act is retroactive to July 1, 2000.

13 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).