

**HOUSE BILL NO. 2003**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 5/17/02

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to municipal bond reimbursement 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)(8) is amended to read:

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

13 \* **Sec. 2.** AS 14.11.100(a)(10) is amended to read:

14 (10) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (o) of this section,

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

8 \* **Sec. 3.** AS 14.11.100(j) is amended to read:

9 (j) Except as provided in (l) of this section, the state may not allocate money  
 10 to a municipality for a school construction project under (a)(5), (6), (7), or (9) of this  
 11 section unless the municipality complies with the requirements of (1) - (5) [(1) - (4)]  
 12 of this subsection, the project is approved by the commissioner before the local vote  
 13 on the bond issue for the project or for bonds authorized after March 31, 1990, but on  
 14 or before April 30, 1993, the bonds are approved by the commissioner before  
 15 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
 16 June 30, 1988. In approving a project under this subsection, and to the extent required  
 17 under (a)(8) or (10) of this section, the commissioner shall require

18 (1) the municipality to include on the ballot for the bond issue, for  
 19 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
 20 total cost of each project including estimated total interest, estimated annual operation  
 21 and maintenance costs, the estimated amounts that will be paid by the state and by the  
 22 municipality, and the approximate amount that would be due in annual taxes on  
 23 \$100,000 in assessed value to retire the debt;

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

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

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

31 (A) projected long-term student enrollment that indicates the

1 district has inadequate facilities to meet present or projected enrollment;

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

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

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

8 **(5) evidence acceptable to the department that the district**

9 **(A) has a preventive maintenance plan that**

10 **(i) includes a computerized maintenance**  
11 **management program, cardex system, or other formal systematic**  
12 **means of tracking the timing and costs associated with planned and**  
13 **completed maintenance activities, including scheduled preventive**  
14 **maintenance;**

15 **(ii) addresses energy management for buildings**  
16 **owned or operated by the district;**

17 **(iii) includes a regular custodial care program for**  
18 **buildings owned or operated by the district;**

19 **(iv) includes preventive maintenance training for**  
20 **facility managers and maintenance employees;**

21 **(v) includes renewal and replacement schedules for**  
22 **electrical, mechanical, structural, and other components of**  
23 **facilities owned or operated by the district; and**

24 **(B) is adequately following the preventive maintenance**  
25 **plan.**

26 \* **Sec. 4.** AS 14.11.100(k) is repealed.

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