

AMENDMENT #1

OFFERED IN THE HOUSE  
TO: CSSB 73(FIN) am

BY REPRESENTATIVE GRUENBERG,  
*Meyer, Anderson,  
Gardner, Cissna*

- 1 Page 1, line 1, following "An Act":  
2 Insert "**relating to reimbursement of municipal bonds for school construction;**"  
3  
4 Page 1, line 13:  
5 Delete "sec. 2"  
6 Insert "sec. 4"  
7  
8 Page 2, line 2:  
9 Delete "sec. 2"  
10 Insert "sec. 4"  
11  
12 Page 2, following line 2:  
13 Insert new bill sections to read:  
14 **\*\* Sec. 2.** AS 14.11.100(a) is amended to read:  
15 (a) During each fiscal year, the state shall allocate to a municipality that is a  
16 school district the following sums:  
17 (1) payments made by the municipality during the fiscal year two years  
18 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
19 indebtedness incurred before July 1, 1977, to pay costs of school construction;  
20 (2) 90 percent of  
21 (A) payments made by the municipality during the fiscal year  
22 two years earlier for the retirement of principal and interest on outstanding  
23 bonds, notes, or other indebtedness incurred after June 30, 1977, and before

1 July 1, 1978, to pay costs of school construction;

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

5 (3) 90 percent of

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
31 made by the municipality during the fiscal year for the retirement of principal and

1 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
2 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
3 costs of school construction, additions to schools, and major rehabilitation projects;

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

12 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
13 projects funded by the bonds, notes, or other indebtedness have been approved by the  
14 commissioner, 70 percent of payments made by the municipality during the fiscal year  
15 for the retirement of principal and interest on outstanding bonds, notes, or other  
16 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
17 1998, but before July 1, 2006, to pay costs of school construction, additions to  
18 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
19 under AS 14.07.020(a)(11);

20 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after  
21 projects funded by the bonds, notes, or other indebtedness have been approved by the  
22 commissioner, 70 percent of payments made by the municipality during the fiscal year  
23 for the retirement of principal and interest on outstanding bonds, notes, or other  
24 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
25 1998, to pay costs of school construction, additions to schools, and major  
26 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),  
27 and are not reimbursed under (n) of this section;

28 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
29 funded by the bonds, notes, or other indebtedness have been approved by the  
30 commissioner, 70 percent of payments made by a municipality during the fiscal year  
31 for the retirement of principal and interest on outstanding bonds, notes, or other

1 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
 2 1999, but before January 1, 2005, to pay costs of school construction, additions to  
 3 schools, and major rehabilitation projects and education-related facilities that exceed  
 4 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
 5 or (o) of this section;

6 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
 7 of payments made by a municipality during the fiscal year for the retirement of  
 8 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
 9 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
 10 2005, to pay costs of school construction, additions to schools, and major  
 11 rehabilitation projects and education-related facilities that exceed \$200,000, are  
 12 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
 13 section;

14 **(13) subject to (h), (i), and (j)(2) - (5) of this section, and after**  
 15 **projects funded by the tax exempt bonds, notes, or other indebtedness have been**  
 16 **approved by the commissioner, 70 percent of payments made by a municipality**  
 17 **during the fiscal year for the retirement of principal and interest on outstanding**  
 18 **tax exempt bonds, notes, or other indebtedness authorized by the qualified voters**  
 19 **of the municipality on or after June 30, 1999, but before July 1, 2006, to pay costs**  
 20 **of school construction, additions to schools, and major rehabilitation projects and**  
 21 **education-related facilities that exceed \$200,000, are approved under**  
 22 **AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;**

23 **(14) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60**  
 24 **percent of payments made by a municipality during the fiscal year for the**  
 25 **retirement of principal and interest on outstanding tax exempt bonds, notes, or**  
 26 **other indebtedness authorized by the qualified voters of the municipality on or**  
 27 **after June 30, 1999, but before July 1, 2006, to pay costs of school construction,**  
 28 **additions to schools, and major rehabilitation projects and education-related**  
 29 **facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are**  
 30 **not reimbursed under (n) or (o) of this section.**

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

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

10 (1) the municipality to include on the ballot for the bond issue, for  
 11 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
 12 total cost of each project including estimated total interest, estimated annual operation  
 13 and maintenance costs, the estimated amounts that will be paid by the state and by the  
 14 municipality, and the approximate amount that would be due in annual taxes on  
 15 \$100,000 in assessed value to retire the debt;

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

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

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

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

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

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

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

31 (5) evidence acceptable to the department that the district

1 (A) has a preventive maintenance plan that

2 (i) includes a computerized maintenance management  
3 program, cardex system, or other formal systematic means of tracking  
4 the timing and costs associated with planned and completed  
5 maintenance activities, including scheduled preventive maintenance;

6 (ii) addresses energy management for buildings owned  
7 or operated by the district;

8 (iii) includes a regular custodial care program for  
9 buildings owned or operated by the district;

10 (iv) includes preventive maintenance training for  
11 facility managers and maintenance employees; and

12 (v) includes renewal and replacement schedules for  
13 electrical, mechanical, structural, and other components of facilities  
14 owned or operated by the district; and

15 (B) is adequately following the preventive maintenance plan."  
16

17 Renumber the following bill sections accordingly.

18  
19 Page 2, line 27:

20 Delete "Section 2"

21 Insert "Section 4"