

**CS FOR HOUSE BILL NO. 13(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/15/05

Referred: Finance

Sponsor(s): REPRESENTATIVES GATTO AND GRUENBERG, Thomas, Gara, Gardner, Lynn, Neuman, Kohring, Chenault

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* **Section 1.** AS 14.11.008(a) is amended to read:

5 (a) In order to receive a grant under this chapter or an appropriation under  
6 AS 37.05.560, a district must

7 **(1) be**

8 **(A) a rural educational attendance area;**

9 **(B) a municipal school district and, as of June 30 of the**  
10 **previous fiscal year, have a population of less than 1,000; or**

11 **(C) a municipal school district that operates schools on a**  
12 **military reservation; and**

13 **(2) provide a percentage share of the project cost, as determined under**  
14 **(b) or (c) of this section; a** [. A] district shall provide the required participating share

1 within three years after the date that the appropriation bill funding the grant is passed  
2 by the legislature.

3 \* **Sec. 2.** AS 14.11.008(a) is repealed and reenacted to read:

4 (a) In order to receive a grant under this chapter or an appropriation under  
5 AS 37.05.560, a district must provide a percentage share of the project cost, as  
6 determined under (b) or (c) of this section. A district shall provide the required  
7 participating share within three years after the date that the appropriation bill funding  
8 the grant is passed by the legislature.

9 \* **Sec. 3.** AS 14.11.008 is amended by adding a new subsection to read:

10 (g) Grant funds provided to a municipal school district under (a)(1)(C) of this  
11 section may only be used for the costs of school construction or major maintenance for  
12 a school located on a military reservation.

13 \* **Sec. 4.** AS 14.11.011(a) is amended to read:

14 (a) A municipality that is a school district or a regional educational attendance  
15 area **eligible under AS 14.11.008(a)** may submit a request to the department for a  
16 grant under this chapter.

17 \* **Sec. 5.** AS 14.11.011(a) is repealed and reenacted to read:

18 (a) A municipality that is a school district or a regional educational attendance  
19 area may submit a request to the department for a grant under this chapter.

20 \* **Sec. 6.** AS 14.11.100(a) is amended to read:

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

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

26 (2) 90 percent of

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

31 (B) cash payments made after June 30, 1976, and before July 1,

1 1978, by the municipality during the fiscal year two years earlier to pay costs  
2 of school construction;

3 (3) 90 percent of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 costs of school construction, additions to schools, and major rehabilitation projects;

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

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

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

26 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
27 funded by the bonds, notes, or other indebtedness have been approved by the  
28 commissioner, 70 percent of payments made by a municipality during the fiscal year  
29 for the retirement of principal and interest on outstanding bonds, notes, or other  
30 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
31 1999, but before July 1, 2006 [JANUARY 1, 2005], to pay costs of school

1 construction, additions to schools, and major rehabilitation projects and education-  
 2 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
 3 are not reimbursed under (n) or (o) of this section;

4 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
 5 of payments made by a municipality during the fiscal year for the retirement of  
 6 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
 7 the qualified voters of the municipality on or after June 30, 1999, but before **July 1,**  
 8 **2006** [JANUARY 1, 2005], to pay costs of school construction, additions to schools,  
 9 and major rehabilitation projects and education-related facilities that exceed \$200,000,  
 10 are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of  
 11 this section.

12 \* **Sec. 7.** AS 14.11.008(g) is repealed.

13 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
 14 read:

15 RETROACTIVITY. If, under sec. 9 of this Act, secs. 1, 3, 4, and 6 of this Act take  
 16 effect, they are retroactive to January 1, 2005.

17 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
 18 read:

19 CONTINGENT EFFECT. Sections 1 - 7 of this Act take effect only if, at the first  
 20 regular session or at a special session, the Twenty-Fourth Alaska Legislature passes a bill  
 21 appropriating an amount equal to or more than \$100,000,000 to the school construction grant  
 22 fund under AS 14.11.008 - 14.11.011, as amended by secs. 1, 3, and 4 of this Act, and that bill  
 23 becomes law not later than October 1, 2005.

24 \* **Sec. 10.** If, under section 9 of this Act, secs. 2, 5, and 7 of this Act take effect, they take  
 25 effect July 1, 2006.

26 \* **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect immediately under  
 27 AS 01.10.070(c).