

**HOUSE BILL NO. 373**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Introduced: 2/19/08**  
**Referred: Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act extending specified public school bond debt reimbursement; and providing for**  
2 **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 seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual  
 2 growth rate of average daily membership of the municipality is 12 percent or  
 3 more; payments made by a municipality under this subparagraph on total  
 4 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph  
 5 are 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) - (5), 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)(2) - (5), and (n) of this section and after  
12 projects 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, 2006, 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) - (5), 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 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
28 funded by the bonds, notes, or other indebtedness have been approved by the  
29 commissioner, 70 percent of payments made by a municipality during the fiscal year  
30 for the retirement of principal and interest on outstanding bonds, notes, or other  
31 indebtedness authorized by the qualified voters of the municipality on or after June 30,

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

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

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

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

30 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after  
31 projects funded by the bonds, notes, or other indebtedness have been approved by the

1 commissioner, 90 percent of payments made by a municipality during the fiscal year  
2 for the retirement of principal and interest on outstanding bonds, notes, or other  
3 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
4 1999, but before October 31, 2006, to pay costs of school construction, additions to  
5 schools, and major rehabilitation projects and education-related facilities that exceed  
6 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating  
7 share requirement for a municipal school district under AS 14.11.008(b), and are not  
8 reimbursed under (n) or (o) of this section;

9 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
10 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
11 the commissioner, 70 percent of payments made by a municipality during the fiscal  
12 year for the retirement of principal and interest on outstanding tax exempt bonds,  
13 notes, or other indebtedness authorized by the qualified voters of the municipality on  
14 or after October 1, 2006, but before November 30, 2010 [2008], to pay costs of school  
15 construction, additions to schools, and major rehabilitation projects and education-  
16 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
17 are not reimbursed under (o) of this section;

18 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
19 of payments made by a municipality during the fiscal year for the retirement of  
20 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
21 authorized by the qualified voters of the municipality on or after October 1, 2006, but  
22 before November 30, 2010 [2008], to pay costs of school construction, additions to  
23 schools, and major rehabilitation projects and education-related facilities that exceed  
24 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o)  
25 of this section.

26 \* **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).