

SENATE CS FOR HOUSE BILL NO. 373(FIN)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/11/08

Referred: Today's Calendar

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to school construction and maintenance grants; extending specified**
 2 **public school bond debt reimbursement; 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(b) is amended to read:

5 (b) The required participating share for a municipal school district is based on
 6 the district's full value per average daily membership (ADM), which is calculated by
 7 dividing the full and true value of the taxable real and personal property in the district,
 8 calculated as described in AS 14.17.510 by the district ADM as defined in
 9 AS 14.17.990, for the same fiscal year for which the valuation was made. The
 10 municipal district's full value per ADM determines the district's required participating
 11 share, as follows:

12 Full Value Per ADM	District Participating Share
13 <u>\$1 - \$150,000</u> [\$1 - \$100,000]	5 percent
14 <u>150,001 - 275,000</u> [100,001 - 200,000]	10 percent

1 275,001 - 800,000 [200,001 - 600,000] 30 percent
 2 over 800,000 [OVER 600,000] 35 percent.

3 * **Sec. 2.** AS 14.11.100(a) is amended to read:

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

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

9 (2) 90 percent of

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

14 (B) cash payments made after June 30, 1976, and before July 1,
 15 1978, by the municipality during the fiscal year two years earlier to pay costs
 16 of school construction;

17 (3) 90 percent of

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

23 (B) cash payments made after June 30, 1978, and before July 1,
 24 1982, by the municipality during the fiscal year two years earlier to pay costs
 25 of school construction projects approved under AS 14.07.020(a)(11);

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

27 (A) payments made by the municipality during the current
 28 fiscal year for the retirement of principal and interest on outstanding bonds,
 29 notes, or other indebtedness incurred after December 31, 1981, and authorized
 30 by the qualified voters of the municipality before July 1, 1983, to pay costs of
 31 school construction, additions to schools, and major rehabilitation projects that

1 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

2 (B) cash payments made after June 30, 1982, and before July 1,
3 1983, by the municipality during the fiscal year two years earlier to pay costs
4 of school construction, additions to schools, and major rehabilitation projects
5 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

6 (C) payments made by the municipality during the current
7 fiscal year for the retirement of principal and interest on outstanding bonds,
8 notes, or other indebtedness to pay costs of school construction, additions to
9 schools, and major rehabilitation projects that exceed \$25,000 and are
10 submitted to the department for approval under AS 14.07.020(a)(11) before
11 July 1, 1983, and approved by the qualified voters of the municipality before
12 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the
13 annual growth rate of average daily membership of the municipality is more
14 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual
15 growth rate of average daily membership of the municipality is 12 percent or
16 more; payments made by a municipality under this subparagraph on total
17 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph
18 are subject to (5)(A) of this subsection;

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

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

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

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

31 (B) cash payments made after June 30, 1983, by the

1 municipality during the fiscal year two years earlier to pay costs of school
2 construction, additions to schools, and major rehabilitation projects that exceed
3 \$25,000 and are approved by the department before July 1, 1990, under
4 AS 14.07.020(a)(11);

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

11 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
12 made by the municipality during the fiscal year for the retirement of principal and
13 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
14 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
15 costs of school construction, additions to schools, and major rehabilitation projects;

16 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
17 projects funded by the bonds, notes, or other indebtedness have been approved by the
18 commissioner, 70 percent of payments made by the municipality during the fiscal year
19 for the retirement of principal and interest on outstanding bonds, notes, or other
20 indebtedness authorized by the qualified voters of the municipality on or after July 1,
21 1995, but before July 1, 1998, to pay costs of school construction, additions to
22 schools, and major rehabilitation projects that exceed \$200,000 and are approved
23 under AS 14.07.020(a)(11);

24 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
25 projects funded by the bonds, notes, or other indebtedness have been approved by the
26 commissioner, 70 percent of payments made by the municipality during the fiscal year
27 for the retirement of principal and interest on outstanding bonds, notes, or other
28 indebtedness authorized by the qualified voters of the municipality on or after July 1,
29 1998, but before July 1, 2006, to pay costs of school construction, additions to
30 schools, and major rehabilitation projects that exceed \$200,000 and are approved
31 under AS 14.07.020(a)(11);

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

9 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
10 funded by the bonds, notes, or other indebtedness have been approved by the
11 commissioner, 70 percent of payments made by a municipality during the fiscal year
12 for the retirement of principal and interest on outstanding bonds, notes, or other
13 indebtedness authorized by the qualified voters of the municipality on or after June 30,
14 1999, but before January 1, 2005, to pay costs of school construction, additions to
15 schools, and major rehabilitation projects and education-related facilities that exceed
16 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
17 or (o) of this section;

18 (12) 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 bonds, notes, or other indebtedness authorized by
21 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
22 2005, to pay costs of school construction, additions to schools, and major
23 rehabilitation projects and education-related facilities that exceed \$200,000, are
24 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
25 section;

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

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

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

12 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
13 projects funded by the bonds, notes, or other indebtedness have been approved by the
14 commissioner, 90 percent of payments made by a 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 June 30,
17 1999, but before October 31, 2006, to pay costs of school construction, additions to
18 schools, and major rehabilitation projects and education-related facilities that exceed
19 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
20 share requirement for a municipal school district under AS 14.11.008(b), and are not
21 reimbursed under (n) or (o) of this section;

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

31 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent

1 of payments made by a municipality during the fiscal year for the retirement of
2 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
3 authorized by the qualified voters of the municipality on or after October 1, 2006, but
4 before November 30, 2010 [2008], to pay costs of school construction, additions to
5 schools, and major rehabilitation projects and education-related facilities that exceed
6 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o)
7 of this section.

8 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).