

**HOUSE BILL NO. 350**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES DRUMMOND, Tarr, Fields**

**Introduced: 2/22/22**

**Referred: Education, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to school bond debt reimbursement; and providing for an effective**  
2 **date."**

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

4 **\* Section 1.** AS 14.11.014(d) is amended to read:

5 (d) Notwithstanding any other provision of law, the committee may not  
6 recommend for approval an application for bond debt reimbursement made by a  
7 municipality for school construction or major maintenance for indebtedness authorized  
8 by the qualified voters of the municipality on or after January 1, 2015, but before  
9 July 1, 2022 [2025].

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

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

13 (1) payments made by the municipality during the fiscal year two years  
14 earlier for the retirement of principal and interest on outstanding bonds, notes, or other

1 indebtedness incurred before July 1, 1977, to pay costs of school construction;

2 (2) 90 percent of

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

7 (B) cash payments made after June 30, 1976, and before July 1,  
8 1978, by the municipality during the fiscal year two years earlier to pay costs  
9 of school construction;

10 (3) 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, 1978, and before  
14 January 1, 1982, to pay costs of school construction projects approved under  
15 AS 14.07.020(a)(11);

16 (B) cash payments made after June 30, 1978, and before July 1,  
17 1982, by the municipality during the fiscal year two years earlier to pay costs  
18 of school construction projects approved under AS 14.07.020(a)(11);

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

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

26 (B) cash payments made after June 30, 1982, and before July 1,  
27 1983, by the municipality during the fiscal year two years earlier to pay costs  
28 of school construction, additions to schools, and major rehabilitation projects  
29 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

30 (C) payments made by the municipality during the current  
31 fiscal year for the retirement of principal and interest on outstanding bonds,

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

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

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

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

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

24 (B) cash payments made after June 30, 1983, by the  
 25 municipality during the fiscal year two years earlier to pay costs of school  
 26 construction, additions to schools, and major rehabilitation projects that exceed  
 27 \$25,000 and are approved by the department before July 1, 1990, under  
 28 AS 14.07.020(a)(11);

29 (6) 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 on or after April 30, 1993, but before July 1, 1996, to pay  
2 costs of school construction, additions to schools, and major rehabilitation projects  
3 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

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

9 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
10 projects funded by the bonds, notes, or other indebtedness have been approved by the  
11 commissioner, 70 percent of payments made by the 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 July 1,  
14 1995, but before July 1, 1998, to pay costs of school construction, additions to  
15 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
16 under AS 14.07.020(a)(11);

17 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
18 projects funded by the bonds, notes, or other indebtedness have been approved by the  
19 commissioner, 70 percent of payments made by the municipality during the fiscal year  
20 for the retirement of principal and interest on outstanding bonds, notes, or other  
21 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
22 1998, but before July 1, 2006, to pay costs of school construction, additions to  
23 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
24 under AS 14.07.020(a)(11);

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

1 and are not reimbursed under (n) of this section;

2 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
3 funded by the bonds, notes, or other indebtedness have been approved by the  
4 commissioner, 70 percent of payments made by a 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 June 30,  
7 1999, but before January 1, 2005, to pay costs of school construction, additions to  
8 schools, and major rehabilitation projects and education-related facilities that exceed  
9 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
10 or (o) of this section;

11 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
12 of payments made by a municipality during the fiscal year for the retirement of  
13 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
14 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
15 2005, to pay costs of school construction, additions to schools, and major  
16 rehabilitation projects and education-related facilities that exceed \$200,000, are  
17 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
18 section;

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

28 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60  
29 percent of payments made by a municipality during the fiscal year for the retirement  
30 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
31 authorized by the qualified voters of the municipality on or after June 30, 1999, but

1 before October 31, 2006, to pay costs of school construction, additions to schools, and  
2 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
3 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
4 section;

5 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after  
6 projects funded by the bonds, notes, or other indebtedness have been approved by the  
7 commissioner, 90 percent of payments made by a municipality during the fiscal year  
8 for the retirement of principal and interest on outstanding bonds, notes, or other  
9 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
10 1999, but before October 31, 2006, to pay costs of school construction, additions to  
11 schools, and major rehabilitation projects and education-related facilities that exceed  
12 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating  
13 share requirement for a municipal school district under the former participating share  
14 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of  
15 this section;

16 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
17 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
18 the commissioner, 70 percent of payments made by a municipality during the fiscal  
19 year for the retirement of principal and interest on outstanding tax exempt bonds,  
20 notes, or other indebtedness authorized by the qualified voters of the municipality on  
21 or after October 1, 2006, but before January 1, 2015, to pay costs of school  
22 construction, additions to schools, and major rehabilitation projects and education-  
23 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
24 are not reimbursed under (o) of this section;

25 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
26 of payments made by a municipality during the fiscal year for the retirement of  
27 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
28 authorized by the qualified voters of the municipality on or after October 1, 2006, but  
29 before January 1, 2015, to pay costs of school construction, additions to schools, and  
30 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
31 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

1 (18) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
 2 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
 3 the commissioner, **70** [50] percent of payments made by a municipality during the  
 4 fiscal year for the retirement of principal of and interest on outstanding tax exempt  
 5 bonds, notes, or other indebtedness authorized by the qualified voters of the  
 6 municipality on or after July 1, **2022** [2025], to pay costs of school construction,  
 7 additions to schools, and major rehabilitation projects and education-related facilities  
 8 that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not  
 9 reimbursed under (o) of this section;

10 (19) subject to (h), (i), and (j)(2), (3), and (5) of this section, **60** [40]  
 11 percent of payments made by a municipality during the fiscal year for the retirement  
 12 of principal of and interest on outstanding tax exempt bonds, notes, or other  
 13 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
 14 **2022** [2025], to pay costs of school construction, additions to schools, and major  
 15 rehabilitation projects and education-related facilities that exceed \$200,000, are  
 16 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

17 \* **Sec. 3.** AS 14.11.100(s) is amended to read:

18 (s) Notwithstanding any other provision of law, the commissioner may not  
 19 approve an application for bond debt reimbursement made by a municipality for  
 20 school construction or major maintenance for indebtedness authorized by the qualified  
 21 voters of the municipality on or after January 1, 2015, but before July 1, **2022** [2025].

22 \* **Sec. 4.** AS 14.11.102(c) is amended to read:

23 (c) The commissioner may not allocate funds to a municipality under  
 24 AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-  
 25 exempt bonds, notes, or other indebtedness authorized by the qualified voters of the  
 26 municipality on or after January 1, 2015, but before July 1, **2022** [2025].

27 \* **Sec. 5.** Section 6, ch. 3, SLA 2015, as amended by sec. 5, ch. 6, SLA 2020, is amended to  
 28 read:

29 Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1,  
 30 **2022** [2025].

31 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 RETROACTIVITY. If this Act takes effect after July 1, 2022, this Act is retroactive to  
3 July 1, 2022.

4 \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).