

**HOUSE BILL NO. 319**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE ELAM

Introduced: 2/18/26

Referred: Education, Community and Regional Affairs

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to municipal educational service areas; relating to municipal bonds;  
2 and providing for an effective date."

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

4 \* **Section 1.** AS 29.10.200(51) is amended to read:

5 (51) AS 29.35.450 and AS 29.47.210 (service areas);

6 \* **Sec. 2.** AS 29.47.190(b) is amended to read:

7 (b) Before a general obligation bond issue election, the governing body shall  
8 publish [HAVE PUBLISHED] a notice of the total existing bonded [BOND]  
9 indebtedness at least once a week for three consecutive weeks. The governing body  
10 shall publish the first notice [SHALL BE PUBLISHED] at least 20 days before the  
11 date of the election. A notice must include

12 (1) the current total general obligation bonded indebtedness, including  
13 authorized but unsold bonds of the municipality;

14 (2) the cost of the debt service on the current indebtedness;

1 (3) the total assessed value of property in the municipality; **and**  
 2 **(4) for a vote on bonded indebtedness in an educational service**  
 3 **area under AS 29.47.210, the total assessed value of property in the educational**  
 4 **service area.**

5 \* **Sec. 3.** AS 29.47 is amended by adding a new section to article 3 to read:

6 **Sec. 29.47.210. Educational service areas.** (a) A unified municipality, a  
 7 borough, or a home rule or first class city outside a borough may by ordinance  
 8 establish an educational service area to acquire, construct, improve, and equip schools  
 9 in the educational service area.

10 (b) An ordinance establishing an educational service area under this section  
 11 must

12 (1) encompass a geographic area in which at least 25 percent of the  
 13 residents of the municipality reside;

14 (2) make all public schools in the educational service area eligible to  
 15 receive capital improvements financed by taxes, charges, or assessments levied on the  
 16 educational service area;

17 (3) specify a maximum principal amount of bonded indebtedness that  
 18 the educational service area may undertake; and

19 (4) specify the types of taxes, charges, or assessments that may be  
 20 authorized on property in the educational service area.

21 (c) A municipality may levy or authorize the levying of taxes, charges, or  
 22 assessments, or the issuance and sale of bonds, in an educational service area  
 23 established under this section to acquire, construct, improve, and equip schools in the  
 24 service area. If the governing body authorizes the levying of taxes, charges, or  
 25 assessments, or the issuance and sale of bonds, the rate of taxation and the issuance of  
 26 bonds are subject to approval by the governing body and by a majority of voters. If the  
 27 indebtedness to be incurred is limited to the educational service area, the vote to  
 28 approve the bond authorization ordinance is limited to voters in the educational  
 29 service area. If the full faith and credit of the entire municipality is pledged for the  
 30 payment of the debt, the proposition must pass in both the municipality and in the  
 31 educational service area.

1 (d) The governing body may provide for an appointed or elected board to  
 2 supervise the furnishing of services in an educational service area.

3 \* **Sec. 4.** AS 29.47.450 is amended to read:

4 **Sec. 29.47.450. Service area debt.** The indebtedness of a service area acquired  
 5 under AS 29.47.210 or 29.47.440 [AS 29.47.440] remains the indebtedness of the area  
 6 that incurred the debt, notwithstanding a subsequent court determination that the  
 7 service area was not validly formed under law or by virtue of a defect in the  
 8 proceedings creating the service area. All property in the service area remains subject  
 9 to taxation to pay the bonded indebtedness.

10 \* **Sec. 5.** AS 44.85.410(4) is amended to read:

11 (4) "municipal bond" means a bond or note or evidence of debt that  
 12 constitutes

13 (A) a general obligation bond that is a direct and general  
 14 obligation of a political subdivision of the state, all the taxable property within  
 15 which is subject to taxation to pay the bond, note, or evidence of debt, and the  
 16 interest without limitation, as to rate or amount generally to the extent  
 17 permitted by law or to avoid a default as provided for second class cities under  
 18 AS 29.45.590;

19 (B) a revenue bond issued by a municipality, the University of  
 20 Alaska, a regional health organization, a joint action agency formed under  
 21 AS 42.45.310, a solid waste management authority, or a port authority that  
 22 pledges the revenue of a revenue-producing capital improvement and that is  
 23 payable solely from the revenue of the revenue-producing capital  
 24 improvement;

25 (C) a general obligation bond or revenue bond combined or  
 26 additionally secured;

27 (D) a bond of a municipality [BOROUGH] issued as a general  
 28 obligation of a service area under AS 29.47.210, 29.47.440, [AS 29.47.440] or  
 29 former AS 29.58.340; or

30 (E) an obligation of a municipality secured only by

31 (i) special assessments on benefited property;

1 (ii) tax increments and a letter of credit or equal

2 security; or

3 (iii) a lease;

4 \* **Sec. 6.** This Act takes effect July 1, 2026.