

Introduced: 2/6/73
Referred: Finance

1 IN THE SENATE

BY PALMER

2 SENATE BILL NO. 114 *Am*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state school building aid; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.18.100 is amended to read:

10 Sec. 43.18.100. STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION
11 DEBT. (a) During each fiscal year the state shall allocate to an
12 organized borough or a city which is a school district one-half, or
13 if school construction is for vocational education facilities as deter-
14 mined by the commissioner, three-quarters of the following sums [, EX-
15 CLUSIVE OF ANY FUNDS RECEIVED FROM STATE OR FEDERAL SOURCES FOR SCHOOL
16 CONSTRUCTION COSTS]:

17 (1) payments made by the borough or city during the fiscal
18 year two years prior for the retirement of principal and interest on
19 bonds, notes, or other indebtedness incurred to pay costs of school
20 construction;

21 (2) the amount of payments that would have been expended by
22 a borough or city two years prior for the retirement of principal and
23 interest on bonds, notes, or other indebtedness incurred to pay costs
24 of school construction had the borough or city issued bonds, notes, or
25 other indebtedness of 10 years duration bearing interest at the rate
26 of six per cent a year to finance the costs rather than paying those
27 costs through taxes or other local sources;

28 (3) cash payments made by the borough during the fiscal
29 year two years earlier to pay costs of school construction.

1 (b) The commissioner shall administer the program of reimbursement
2 authorized under this section and shall provide by regulation for the
3 filing of applications for reimbursement, the form of proof of costs
4 for which application for reimbursement is made, and other regulations
5 necessary to administer the program. In approving applications for
6 reimbursement, the commissioner shall offset against the amount of
7 reimbursement authorized the amount of any funds distributed to the
8 borough or city in the second preceding fiscal year from the school
9 fund provided for in AS 43.50.140.

10 (c) The school construction account is established. Funds to
11 carry out the provisions of this section may be appropriated annually
12 by the legislature to the account. If amounts in the account are insuf-
13 ficient for the purpose of providing the share to which a borough or
14 city is entitled under this section, those [SUCH] funds that [AS] are
15 available shall be distributed pro rata among the eligible local
16 governments.

17 (d) Money in the school construction account which, at the end
18 of the fiscal year for which the money is appropriated, exceeds the
19 amount required for the allocations authorized in this section reverts
20 to the general fund.

21 (e) The commissioner shall annually provide a report to the legis-
22 lature on allocations of state aid made under this section.

23 (g) The provisions of (a)(2) of this section apply only to payments
24 made by a borough or city which was a school district before July 1,
25 1971. The provisions of (a)(3) of this section apply to payments made
26 by a borough or city which was a school district after June 30, 1971.

27 (h) In this section

28 (1) "commissioner" means the commissioner of education;

29 (2) "costs of school construction" means the cost of

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acquiring, constructing, enlarging, repairing, remodeling, equipping,
or furnishing, including but not limited to the cost of acquisition
of sites, legal, engineering, fiscal, architectural and other fees of
specialists or consultants, costs of labor, materials, equipment and
supplies, costs of authorization, issuance and sale of bonds, notes,
or other evidences of debt.

* Sec. 2. This Act takes effect on the day after its passage and approval
or on the day it becomes law without approval.