

Original sponsors: Cotten and Parr

Offered: 4/25/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 89 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

8

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

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* Section 1. The purpose of this Act in increasing the amount of state
10 aid for school construction is to provide relief to residents of munici-
11 palities which levy and collect taxes for school construction of an addi-
12 tional portion of the local tax burden. In extending additional state assis-
13 tance, it is the intent of the legislature that municipalities which receive
14 additional assistance under sec. 2 of this Act reduce tax levies in reason-
15 able proportion to the amount of state aid received by the municipality for
16 school construction during the fiscal year and provide taxpayers of the
17 municipality notice of the amount of state aid provided.

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* Sec. 2. AS 43.18.100(a) is repealed and re-enacted to read:

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(a) During each fiscal year, the state shall allocate to an or-
20 ganized borough or a city which is a school district, the following
21 sums:

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(1) payments made by the borough or city during the fiscal
23 year two years earlier for the retirement of principal and interest on
24 outstanding bonds, notes or other indebtedness incurred before July 1,
25 1976 to pay costs of school construction;

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(2) 80 per cent of

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(A) payments made by the borough or city during the
fiscal year two years earlier for the retirement of principal and
interest on outstanding bonds, notes or other indebtedness incurred

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1 after July 1, 1976 and before June 30, 1980 to pay costs of school
2 construction;

3 (B) cash payments made by the borough or city during the
4 fiscal year two years earlier to pay costs of school construction;

5 (3) 80 per cent of the total cost of school construction for
6 each school for which indebtedness had not been incurred before June 30,
7 1980 payable at the time construction of a school commences based upon
8 the cost of construction estimated by the borough or city and adjusted
9 upon completion of construction to equal 80 per cent of the actual total
10 cost of construction.

11 * Sec. 3. AS 43.18.100(b) is amended to read:

12 (b) The commissioner shall administer the program of reimbursement
13 authorized under this section and shall provide by regulation for the
14 filing of applications for reimbursement, the form of proof of costs for
15 which application for reimbursement is made, and other regulations
16 necessary to administer the program. The commissioner shall exclude
17 from the total school construction cost of the local district all state
18 and federal funds included in these costs except funds provided under
19 this section and AS 43.50.140. In approving applications for reim-
20 bursement, the commissioner shall

21 (1) offset against the amount of reimbursement authorized the
22 amount of any funds distributed to the borough or city in the second
23 preceding fiscal year from the school fund provided for in AS 43.50.140;

24 (2) require the borough or city to provide, with its applica-
25 tion, a certified copy of the notice to taxpayers required by sec. 30 of
26 this chapter.

27 * Sec. 4. AS 43.18.100(e) is amended to read:

28 (e) The commissioner shall annually provide a report to the legis-
29 lature on allocations of state aid made under this section, including

1 but not limited to, the amount of state aid paid on a per capita and per
2 student basis and the resultant effect on the rate of levy of taxes by
3 the municipality for educational purposes.

4 * Sec. 5. AS 43.18.030 is amended to read:

5 Sec. 43.18.030. LOCAL TAX LEVY REDUCTION. (a) The intent of
6 secs. 10 - 100 of this chapter in authorizing state aid for educational
7 [MUNICIPAL] purposes and municipal services is that municipalities
8 [LOCAL GOVERNMENTS] which levy [PROPERTY] taxes reduce those levies in
9 reasonable proportion to the amount of state aid received by the
10 municipality [A LOCAL GOVERNMENT] for a given fiscal year.

11 (b) If the municipality levies and collects real or personal
12 property taxes, the [THE] governing body shall furnish the following
13 notice with tax statements mailed for the fiscal year for which aid is
14 received under AS 14.17 and secs. 10 - 100 of this chapter:

15 "NOTICE TO TAXPAYER

16 For the current fiscal year the (city) (borough) has been
17 allocated the following amount of state aid for school and
18 municipal purposes under the Public School Foundation Program
19 (Alaska Statutes 14.17), [AND] the Municipal Services Revenue
20 Sharing Program [REVENUE-SHARING PROVISIONS] of Alaska Statutes
21 43.18.010 - 43.18.050, and the program of state aid for
22 retirement of school construction debt (Alaska Statute 43.18.-
23 100) [43.18]:

24	<u>PUBLIC SCHOOL FOUNDATION PROGRAM</u>	\$
25	<u>ASSISTANCE [SCHOOL AID]</u>	
26	<u>STATE AID FOR RETIREMENT OF SCHOOL</u>	\$
27	<u>CONSTRUCTION DEBT</u>	
28	<u>AID BASED ON MUNICIPAL SERVICES</u>	
29	<u>FURNISHED (fire protection,</u>	\$

1 police protection, air or water
 2 pollution control, land use
 3 planning, road maintenance, parks
 4 and recreation, transportation
 5 facilities and services, hospital
 6 operation)

7 Total Aid \$

8 The millage equivalent of this state aid, based on the
 9 [PRESENT] dollar value of a mill in the municipality
 10 during the current assessment year and for the preceding
 11 assessment year, is: [... MILLS]

	<u>MILLAGE EQUIVALENT</u>	
	<u>PREVIOUS YEAR</u>	<u>THIS YEAR</u>
<u>PUBLIC SCHOOL FOUNDATION</u>	<u>...MILLS</u>	<u>... MILLS</u>
<u>PROGRAM ASSISTANCE</u>		
<u>STATE AID FOR RETIREMENT</u>	<u>...MILLS</u>	<u>... MILLS</u>
<u>OF SCHOOL CONSTRUCTION</u>		
<u>DEBT</u>		
<u>AID BASED ON MUNICIPAL</u>	<u>...MILLS</u>	<u>... MILLS</u>
<u>SERVICES FURNISHED</u>		
<u>TOTAL MILLAGE EQUIVALENT</u>	<u>...MILLS</u>	<u>... MILLS."</u>

22 * Sec. 6. AS 43.18.030 is amended by adding a new subsection to read:

23 (c) If the municipality levies and collects only a sales tax, the
 24 governing body shall provide a notice substantially in the form set out
 25 in (b) of this section. In providing notice under this subsection, the
 26 council or assembly shall substitute for the millage equivalency its
 27 estimate of the equivalent sales tax rate for each of the categories
 28 of financial assistance set out in (b) of this section. Notice shall be
 29 provided

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(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with first publication to occur not earlier than 45 days before the first day of the municipality's fiscal year; or

(2) if there is no newspaper of general circulation in the municipality, by posting a copy of the notice for at least 20 days in at least two public places within the municipality, with posting to occur not earlier than 45 days before the first day of the municipality's fiscal year.

- * Sec. 7. AS 43.18.100(f) is repealed.
- * Sec. 8. This Act takes effect July 1, 1977.