

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 3

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 the retirement of  
7 school construction debt."

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

9 \* Section 1. AS 43.18.100(a) is amended to read:

10 (a) Except as provided by (h) of this section, during [DURING]  
11 each fiscal year the state shall allocate to an organized borough or a  
12 city which is a school district one-half, or if school construction is  
13 for vocational education facilities as determined by the commissioner  
14 three-quarters, of the following sums:

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

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

26 (3) cash payments made by the borough or city during the  
27 fiscal year two years earlier to pay costs of school construction.

28 \* Sec. 2. AS 43.18.100 is amended by adding a new subsection to read:

29 (h) If the debt is for the construction of schools or vocational

1 education facilities and the construction commenced after the effective  
2 date of this Act, the state shall allocate to an organized borough or  
3 a city which is a school district 90 per cent of the payments described  
4 in (a)(1) - (3) of this section.  
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