

Introduced: 2/14/80
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY ANDERSON AND OSTERBACK

2 HOUSE BILL NO. 760

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing state aid to municipalities for
7 retirement of general obligation bonded indebtedness;
8 and providing for an effective date."

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

10 * Section 1. AS 43.18 is amended by adding new sections to read:

11 ARTICLE 5. AID FOR RETIREMENT OF GENERAL OBLIGATION
12 BONDED INDEBTEDNESS.

13 Sec. 43.18.470. STATE AID FOR RETIREMENT OF MUNICIPAL GENERAL
14 BONDED INDEBTEDNESS. (a) During each fiscal year, the department shall
15 pay to each municipality an amount equal to the amount paid by the
16 municipality during the fiscal year two years earlier for the retirement
17 of principal and interest on outstanding bonds, notes, or other in-
18 debtedness incurred with the pledge of the full faith and credit of the
19 municipality for repayment for capital construction projects.

20 (b) The commissioner shall administer the program of reimbursement
21 authorized by this section and shall provide by regulation for the
22 filing of applications for reimbursement, the form of proof of costs for
23 which application for reimbursement is made, and other regulations
24 necessary to discharge the state's obligations under AS 43.18.470 -
25 43.18.478.

26 (c) In computing the amount of reimbursement due a municipality
27 under this section, the commissioner shall

28 (1) exclude from total school construction costs all state
29 and federal funds included in these costs, except funds provided under

1 this section and under AS 43.50.140, offsetting against the amount of
2 reimbursement authorized the amount of any funds distributed to the
3 municipality in the second preceding fiscal year from the school fund
4 established in AS 43.50.140; and

5 (2) exclude from total construction costs for capital con-
6 struction projects except schools all state and federal funds included
7 in these costs.

8 Sec. 43.18.472. ACCOUNT ESTABLISHED. The general obligation
9 bonded indebtedness retirement account is established. An amount to
10 carry out the provisions of AS 43.18.470 - 43.18.478 may be appropriated
11 annually to the account.

12 Sec. 43.18.474. PAYMENT OF PRO RATA SHARE. If the amount in the
13 account established under AS 43.18.472 is insufficient to pay each
14 municipality's share under AS 43.18.470, the amount available shall be
15 distributed pro rata among eligible municipalities.

16 Sec. 43.18.476. ANNUAL REPORT. The commissioner shall annually
17 provide a report to the legislature on allocations of state aid made
18 under AS 43.18.470 - 43.18.478. The report shall include a computation
19 of the amount of state aid paid under AS 43.18.470 - 43.18.478 on a per
20 capita basis for each municipality receiving payment. In addition, as
21 to payments for costs of school construction, the report shall include a
22 computation of the amount of state aid paid on a per-student basis, and
23 the resultant effect on the rate of levy of taxes by the municipality
24 for educational purposes.

25 Sec. 43.18.478. DEFINITIONS. In AS 43.18.470 - 43.18.478

26 (1) "commissioner" means the commissioner of community and
27 regional affairs;

28 (2) "construction costs" means the cost of acquiring, con-
29 structing, enlarging, repairing, remodeling, equipping or furnishing a

1 project for which general obligation bonds of a municipality have been
2 issued; the term includes, but is not limited to,

3 (A) the costs of all necessary surveys, plans and
4 specifications, architectural, engineering and other special
5 professional services, acquisition of real property, site pre-
6 paration and development, purchase, construction, reconstruction,
7 and improvement of real property, and the acquisition of machinery
8 and equipment as may be necessary in connection with the project;

9 (B) an allocable portion of the administrative and
10 operating expenses of the municipality attributable to the project;

11 (C) the costs of financing the project, including
12 interest costs of bonds to finance the project; and

13 (D) the cost of indemnity and surety bonds and premiums
14 on insurance, legal fees, fees and expenses of trustees, deposi-
15 taries, financial advisors, and paying agents for the bonds issued
16 in connection with the project;

17 (3) "department" means the Department of Community and
18 Regional Affairs.

19 * Sec. 2. AS 43.18.030(b) is amended to read:

20 (b) If the municipality levies and collects real or personal
21 property taxes, the governing body shall furnish the following notice
22 with tax statements mailed for the fiscal year for which aid is received
23 under AS 14.17, AS 43.18.010 - 43.18.045 and AS 43.18.470 - 43.18.478
24 [AS 43.18.010 - 43.18.100]:

25 "NOTICE TO TAXPAYER

26 For the current fiscal year the (city) (borough) has been allocated
27 the following amount of state aid for school and municipal purposes
28 under the public school foundation program (Alaska Statutes 14.17),
29 the municipal services revenue sharing program of Alaska Statutes

1 43.18.010 - 43.18.045 [43.18.050], and the program of state aid for
 2 retirement of municipal general bonded [SCHOOL CONSTRUCTION] debt
 3 (Alaska Statutes 43.18.470 - 43.18.478) [(ALASKA STATUTE 43.18.-
 4 100)]:

5	PUBLIC SCHOOL FOUNDATION PROGRAM	\$
6	ASSISTANCE	
7	STATE AID FOR RETIREMENT OF <u>MUNICIPAL GENERAL</u>	\$
8	<u>BONDED</u> [SCHOOL CONSTRUCTION] DEBT	
9	AID BASED ON MUNICIPAL SERVICES FURNISHED	\$
10	(fire protection, police protection, air or	
11	water pollution control, land use planning,	
12	road maintenance, parks and recreation,	
13	transportation facilities and services,	
14	hospital operation)	

15 Total Aid \$

16 The millage equivalent of this state aid, based on the dollar value
 17 of a mill in the municipality during the current assessment year
 18 and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
21 PUBLIC SCHOOL FOUNDATION	...MILLS	...MILLS
22 PROGRAM ASSISTANCE		
23 STATE AID FOR RETIREMENT OF	...MILLS	...MILLS
24 <u>MUNICIPAL GENERAL BONDED</u>		
25 [SCHOOL CONSTRUCTION] DEBT		
26 AID BASED ON MUNICIPAL SERVICES	...MILLS	...MILLS
27 FURNISHED		
28 TOTAL MILLAGE EQUIVALENT	...MILLS	...MILLS."

29 * Sec. 3. AS 43.18.040 is amended to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Sec. 43.18.040. REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of AS 43.18.010 - 43.18.045 [43.18.099]. The regulations shall include minimum standards required to qualify a municipality for grants for each service and provisions for a performance report adequate to demonstrate to the department that each service for which credit was allowed was actually performed by the municipality, at least at the prescribed minimum level.

* Sec. 4. AS 43.18.100 is repealed.

* Sec. 5. This Act takes effect July 1, 1980.