

Offered: 2/28/84  
Referred: Finance

Original sponsors: Pestinger and Larson

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 492 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

9 \* Section 1. AS 14.11.010(d) is amended to read:

10 (d) The provisions of this section do not affect a municipal-  
11 ity's eligibility for reimbursement under AS 14.11.200 [AS 14.11.100].

12 \* Sec. 2. AS 14.11 is amended by adding new sections to read:

13 Sec. 14.11.200. STATE GRANTS FOR SCHOOL CONSTRUCTION. (a) The  
14 department shall grant to a municipality that is a school district 90  
15 percent of the cost of a school construction project if the department  
16 approves the project under AS 14.07.020(11) and determines that the  
17 project is eligible for a grant under this section.

18 (b) The school construction grant account is established  
19 consisting of funds appropriated to the account and interest earned on  
20 those funds. The department shall use funds in the account to carry  
21 out the purposes of this section. Any portion of a grant to a  
22 municipality that is not used to carry out the purposes of this  
23 section shall be returned to the account.

24 (c) In establishing priorities to determine projects eligible for  
25 grants under this section, the department shall evaluate the following  
26 factors:

27 (1) priorities assigned by the assembly, council, or school  
28 board to the projects requested;

29 (2) emergency requirements;

- 1 (3) the number of students without classroom space;  
2 (4) new local elementary or secondary programs;  
3 (5) existing regional, community, and school facilities and  
4 the condition of the facilities;  
5 (6) the economic and social stability of the municipality  
6 or region.

7 (d) To be eligible for a grant under this section, a municipal-  
8 ity must receive authorization for the project from the qualified  
9 voters of the municipality and pay at least 10 percent of the cost of  
10 school construction with cash or the proceeds of bonds issued through  
11 the municipal bond bank authority (AS 44.85).

12 (e) In this section, "cost" means the cost of acquiring, con-  
13 structing, enlarging, repairing, remodeling, equipping or furnishing  
14 of public elementary and secondary school buildings and includes the  
15 sum total of all costs of financing and carrying out the project;  
16 these include, but are not limited to, the costs of all necessary  
17 studies, surveys, plans and specifications, architectural, engineering  
18 or other special services, acquisition of real property, site prepara-  
19 tion and development, purchase, construction, reconstruction and  
20 improvement of real property and the acquisition of machinery and  
21 equipment as may be necessary in connection with the project; an  
22 allocable portion of the administrative and operating expenses of the  
23 grantee; the cost of financing the project, including premiums on  
24 insurance and legal fees.

25 (f) An allocation under this section for school construction  
26 begun after July 1, 1984, shall be reduced by the amount of money used  
27 for the construction of residential space, hockey rinks, planetariums,  
28 saunas, and other facilities for single purpose sporting or  
29 recreational uses that are not suitable for other activities. An

1 allocation under this section may not be reduced by the amount of  
2 money used for construction of a small swimming pool, tank, or water  
3 storage facility used for water sports. However, an allocation shall  
4 be reduced by the difference between the amount of money used to  
5 construct a swimming pool that is competition size or larger and the  
6 amount of money that would have been used to construct a small  
7 swimming pool, tank, or water storage facility, as determined by the  
8 commissioner.

9 Sec. 14.11.210. REPORTS. The commissioner shall provide an  
10 annual report to the legislature that includes information about the  
11 balance remaining in the school construction account at the end of  
12 each fiscal year and the use of the funds in the account for the  
13 fiscal year.

14 Sec. 14.11.220. APPLICATION FOR GRANTS. (a) The commissioner  
15 shall prescribe by regulation the necessary requirements, forms, and  
16 procedures to be used in applying for construction grants under  
17 AS 14.11.200 - 14.11.220.

18 (b) A municipality that is a school district seeking a  
19 construction grant shall apply to the department by October 15 of the  
20 previous fiscal year.

21 (c) Based on the commissioner's review of applications and  
22 determination of project eligibility, the commissioner shall recommend  
23 to the governor an appropriation of funds for construction grants  
24 under AS 14.11.200 - 14.11.220.

25 \* Sec. 3. AS 29.58.345 is amended to read:

26 Sec. 29.58.345. BONDED INDEBTEDNESS FOR SCHOOL CONSTRUCTION. A  
27 home rule city levying property taxes for schools, upon furnishing  
28 proof satisfactory to the Department of Education and the Department  
29 of Community and Regional Affairs of the needs for school facilities

1 that [WHICH], if provided, will require the city to exceed limits on  
2 authorizing or issuing bonds which may be established by charter, may  
3 exceed the limits to the extent necessary to pay the cost [COSTS] of  
4 school construction. In this section "cost" ["COSTS OF SCHOOL  
5 CONSTRUCTION"] means cost [COSTS] as defined in AS 14.11.200(e)  
6 [AS 43.18.100(g)(2)].

7 \* Sec. 4. AS 29.73.070(a) is amended to read:

8 (a) If a municipality levies and collects real or personal  
9 property taxes, the governing body shall provide the following notice:

10 "NOTICE TO TAXPAYER

11 For the current fiscal year the (city) (borough) has been allocated  
12 the following amount of state aid for school and municipal purposes  
13 under the applicable financial assistance Acts:

14	PUBLIC SCHOOL FOUNDATION PROGRAM AS-	
15	SISTANCE (AS 14.17)	\$
16	STATE AID FOR RETIREMENT OF SCHOOL	
17	CONSTRUCTION DEBT (AS 14.11.100)	\$
18	<u>STATE GRANTS FOR SCHOOL CON-</u>	
19	<u>STRUCTION (AS 14.11.200)</u>	\$
20	MUNICIPAL TAX RESOURCE EQUALIZATION AS-	
21	SISTANCE (AS 29.88)	\$
22	STATE AID FOR MISCELLANEOUS MUNICIPAL	
23	SERVICES (AS 29.89)	\$
24	TOTAL AID	\$

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

28	MILLAGE EQUIVALENT	
29	PREVIOUS YEAR	THIS YEAR

1	PUBLIC SCHOOL FOUNDA-		
2	TION PROGRAM AS-		
3	SISTANCE	....MILLS	....MILLS
4	STATE AID FOR RETIRE-		
5	MENT OF SCHOOL CON-		
6	STRUCTION DEBT	....MILLS	....MILLS
7	<u>STATE GRANTS FOR</u>		
8	<u>SCHOOL CONSTRUCTION</u>	<u>....MILLS</u>	<u>....MILLS</u>
9	MUNICIPAL TAX RESOURCE		
10	EQUALIZATION ASSISTANCE	....MILLS	....MILLS
11	STATE AID FOR MISCELLANEOUS		
12	MUNICIPAL SERVICES	....MILLS	....MILLS
13	TOTAL MILLAGE EQUIVALENT	....MILLS	....MILLS"

14 Notice shall be provided

15 (1) by furnishing a copy of the notice with tax statements  
 16 mailed for the fiscal year for which aid is received; or

17 (2) by publishing in a newspaper of general circulation  
 18 within the municipality a copy of the notice once each week for a  
 19 period of three successive weeks, with publication to occur not later  
 20 than 45 days after the final adoption of the municipality's budget.

21 \* Sec. 5. AS 14.11.100(a)(5) and 14.11.100(j) are repealed except that  
 22 they remain in effect with respect to school construction projects for  
 23 which

24 (1) construction began before July 1, 1984; or

25 (2) bonds, notes, or other indebtedness have been authorized by  
 26 the qualified voters of a municipality after June 30, 1983, and before July  
 27 1, 1984.

28 \* Sec. 6. AS 14.11.105 - 14.11.135 are repealed.

29 \* Sec. 7. This Act takes effect July 1, 1984.