

Offered: 4/24/87
Referred: Finance

5-0931N

Original sponsors: Swackhammer
and Menard

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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CS FOR HOUSE BILL NO. 204 (HESS)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to refunding bonds for school con-

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struction; and providing for an effective date."

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

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* Section 1. AS 14.11.100(c) is amended to read:

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(c) The school construction account is established. Funds to

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carry out the provisions of this section may be appropriated annually

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by the legislature to the account. If amounts in the account are

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insufficient for the purpose of providing the share to which a borough

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or city is entitled under this section, those funds that are available

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shall be distributed pro rata among the eligible local governments

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except that the legislature may direct that additional debt service on

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refunding bonds that exceeds the total debt service on the refunded

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bonds be disregarded in whole or in part.

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* Sec. 2. AS 14.11.100(j) is amended to read:

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(j) The state may not allocate money to a municipality for a

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school construction project under (a)(5) of this section unless the

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municipality complies with the requirements of (1) and (2) [(1) - (4)]

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of this subsection and the project is approved by the commissioner

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before the local vote on the bond issue for the project. In approving

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a project under this subsection, the commissioner shall require

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(1) the municipality to include on the ballot for the bond

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issue the estimated total cost of each project including estimated

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annual operation and maintenance costs and the estimated amounts that

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will be paid by the state and by the municipality; and

1 (2) [THAT THE BONDS MAY NOT BE REFUNDED UNLESS THE ANNUAL
2 DEBT SERVICE ON THE REFUNDING ISSUE IS NOT GREATER THAN THE ANNUAL
3 DEBT SERVICE ON THE ORIGINAL ISSUE;

4 (3) THAT THE BONDS MUST BE REPAYED IN APPROXIMATELY EQUAL
5 ANNUAL PRINCIPAL PAYMENTS OR APPROXIMATE EQUAL DEBT SERVICE PAYMENTS
6 OVER A PERIOD OF AT LEAST 10 YEARS;

7 (4)] the municipality to demonstrate need for the project
8 by establishing that the school district has

9 (A) projected long-term student enrollment that indi-
10 cates the district has inadequate facilities to meet present or
11 projected enrollment; or

12 (B) facilities that require repair or replacement in
13 order to meet health and safety laws or regulations or building
14 codes.

15 * Sec. 3. AS 14.11.100 is amended by adding a new subsection to read:

16 (1) In this section, "outstanding bonds, notes, or other indebt-
17 edness" includes bonds issued to refund bonds, notes, or other indebt-
18 edness issued to pay costs of school construction or to refund the
19 bonds. For the purposes of determining the level of reimbursement,
20 refunding bonds are considered to be issued as of the date of the
21 first issue of bonds, notes, or other indebtedness or of the bonds
22 that refund the bonds, whichever is later. Refunded bonds, notes, or
23 other indebtedness are not considered outstanding.

24 * Sec. 4. This Act is retroactive to July 1, 1983.

25 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).