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Referred: Health, Education & Social Services
and Finance

5-0568A

1 IN THE SENATE

BY FISCHER, BENNETT
AND SZYMANSKI

2

SENATE BILL NO. 150

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to bonds issued 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 is amended by adding a new section to read:

10 Sec. 14.11.090. REFINANCING OF SCHOOL CONSTRUCTION DEBT. A
11 municipality may not refinance school construction debt if the refi-
12 nancing issue increases the amount of the debt unless the refinancing
13 issue is placed on the ballot and approved by a majority of the
14 voters. The ballot proposition must state the amount by which the
15 refinancing issue will increase the school construction debt.

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

17 (j) The state may not allocate money to a municipality for a
18 school construction project under (a)(5) of this section unless the
19 municipality complies with the requirements of (1) and (2) [(1) - (4)]
20 of this subsection and the project is approved by the commissioner
21 before the local vote on the bond issue for the project. In approving
22 a project under this subsection, the commissioner shall require

23 (1) the municipality to include on the ballot for the bond
24 issue the estimated total cost of each project including estimated
25 annual operation and maintenance costs and the estimated amounts that
26 will be paid by the state and by the municipality; and

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

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

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

6 (A) projected long-term student enrollment that indi-
7 cates the district has inadequate facilities to meet present or
8 projected enrollment; or

9 (B) facilities that require repair or replacement in
10 order to meet health and safety laws or regulations or building
11 codes.

12 * Sec. 3. Section 2 of this Act is retroactive to July 1, 1983.

13 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).