

Original sponsors: Fischer, Bennett
and Szymanski

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 150 (Finance)

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 14.11.100(c) is amended to read:

10 (c) The school construction account is established. Funds to
11 carry out the provisions of this section may be appropriated annually
12 by the legislature to the account. If amounts in the account are
13 insufficient for the purpose of providing the share to which a borough
14 or city is entitled under this section, those funds that are available
15 shall be distributed pro rata among the eligible local governments
16 except that the legislature may direct that additional debt service on
17 refunding bonds that exceeds the total debt service on the refunded
18 bonds be disregarded in whole or in part.

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

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

26 (1) the municipality to include on the ballot for the bond
27 issue the estimated total cost of each project including estimated
28 annual operation and maintenance costs and the estimated amounts that
29 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 REPAID 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. Bonds may not be refunded if the time remaining for repayment
20 on the original bonds is less than five years. The repayment term on
21 refunding bonds may not exceed 20 years. For the purposes of deter-
22 mining the level of reimbursement, refunding bonds are considered to
23 be issued as of the date of the first issue of bonds, notes, or other
24 indebtedness or of the bonds that refund the bonds, whichever is
25 later. Refunded bonds, notes, or other indebtedness are not consid-
26 ered outstanding.

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

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