

Offered: 5/13/87
Referred: Rules

5-0568L

Original sponsors: Fischer, Bennett
and Szymanski

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR 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) Except as provided in (1) of this section, the [THE] state
21 may not allocate money to a municipality for a school construction
22 project under (a)(5) of this section unless the municipality complies
23 with the requirements of (1) - (4) of this subsection, [AND] the
24 project is approved by the commissioner before the local vote on the
25 bond issue for the project, and the local vote occurs before July 1,
26 1987. or after June 30, 1988. In approving a project under this
27 subsection, the commissioner shall require

28 (1) the municipality to include on the ballot for the bond
29 issue the estimated total cost of each project including estimated

1 total interest, estimated annual operation and maintenance costs,
2 [AND] the estimated amounts that will be paid by the state and by the
3 municipality, and the approximate amount that would be due in annual
4 taxes on \$100,000 in assessed value to retire the debt;

5 (2) that the bonds may not be refunded unless the annual
6 debt service on the refunding issue is not greater than the annual
7 debt service on the original issue;

8 (3) that the bonds must be repaid in approximately equal
9 annual principal payments or approximate equal debt service payments
10 over a period of at least 10 years;

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

13 (A) projected long-term student enrollment that indi-
14 cates the district has inadequate facilities to meet present or
15 projected enrollment; or

16 (B) facilities that require repair or replacement in
17 order to meet health and safety laws or regulations or building
18 codes.

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

20 (1) In this section, "outstanding bonds, notes, or other indebt-
21 edness" includes bonds issued to refund bonds, notes, or other indebt-
22 edness issued to pay costs of school construction or to refund the
23 bonds. Refunded bonds, notes, or other indebtedness are not consid-
24 ered outstanding. Bonds may be refunded without compliance with
25 (j)(2) and (3) of this section if the refunding bonds are issued after
26 June 30, 1987, and before January 1, 1989, and the time remaining for
27 repayment on the original bonds is more than five years. The repay-
28 ment term on refunding bonds may not exceed 20 years. For the pur-
29 poses of determining the level of reimbursement, refunding bonds are

1 considered to be issued as of the date of the first issue of bonds,
2 notes, or other indebtedness or of the bonds that refund the bonds,
3 whichever is later.

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