

SENATE BILL NO. 180

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/31/93
Referred: HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reimbursement of school construction debt; and providing for
2 an effective date."

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

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

5 (a) During each fiscal year, the state shall allocate to a municipality that is a
6 school district, the following sums:

7 (1) payments made by the municipality during the fiscal year two years
8 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
9 indebtedness incurred before July 1, 1977, to pay costs of school construction;

10 (2) 90 percent of

11 (A) payments made by the municipality during the fiscal year
12 two years earlier for the retirement of principal and interest on outstanding
13 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
14 July 1, 1978, to pay costs of school construction;

1 (B) cash payments made after June 30, 1976, and before July 1,
2 1978, by the municipality during the fiscal year two years earlier to pay costs
3 of school construction;

4 (3) 90 percent of

5 (A) payments made by the municipality during the fiscal year
6 two years earlier for the retirement of principal and interest on outstanding
7 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
8 January 1, 1982, to pay costs of school construction projects approved under
9 AS 14.07.020(a)(11);

10 (B) cash payments made after June 30, 1978, and before July 1,
11 1982, by the municipality during the fiscal year two years earlier to pay costs
12 of school construction projects approved under AS 14.07.020(a)(11);

13 (4) subject to (h) and (i) of this section, up to 90 percent of

14 (A) payments made by the municipality during the current fiscal
15 year for the retirement of principal and interest on outstanding bonds, notes, or
16 other indebtedness incurred after December 31, 1981, and authorized by the
17 qualified voters of the municipality before July 1, 1983, to pay costs of school
18 construction, additions to schools, and major rehabilitation projects that exceed
19 \$25,000 and are approved under AS 14.07.020(a)(11); and

20 (B) cash payments made after June 30, 1982, and before July 1,
21 1983, by the municipality during the fiscal year two years earlier to pay costs
22 of school construction, additions to schools, and major rehabilitation projects
23 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

24 (C) payments made by the municipality during the current fiscal
25 year for the retirement of principal and interest on outstanding bonds, notes, or
26 other indebtedness to pay costs of school construction, additions to schools, and
27 major rehabilitation projects that exceed \$25,000 and are submitted to the
28 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and
29 approved by the qualified voters of the municipality before October 15, 1983,
30 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of
31 average daily membership of the municipality is more than 7 percent but less

1 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily
2 membership of the municipality is 12 percent or more; payments made by a
3 municipality under this paragraph on total project costs that exceed the amounts
4 set out in (i) and (ii) of this paragraph are subject to (5)(A) of this subsection;

5 (5) subject to (h), (i), and (j) of this section, 80 percent of

6 (A) payments made by the municipality during the fiscal year
7 for the retirement of principal and interest on

8 (i) outstanding bonds, notes, or other indebtedness
9 authorized by the qualified voters of the municipality after June 30,
10 1983, but before March 31, 1990, to pay costs of school construction,
11 additions to schools, and major rehabilitation projects that exceed
12 \$25,000 and are approved under AS 14.07.020(a)(11);

13 (ii) outstanding bonds, notes, or other indebtedness
14 authorized by the qualified voters of the municipality before July 1,
15 1989, and reauthorized before November 1, 1989, to pay costs of school
16 construction, additions to schools, and major rehabilitation projects that
17 exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

18 (B) cash payments made after June 30, 1983, by the
19 municipality during the fiscal year two years earlier to pay costs of school
20 construction, additions to schools, and major rehabilitation projects that exceed
21 \$25,000 and are approved by the department before July 1, 1990, under
22 AS 14.07.020(a)(11);

23 (6) subject to (h), (i), and (j) of this section, 70 percent of payments
24 made by the municipality during the fiscal year for the retirement of principal
25 and interest on outstanding bonds, notes, or other indebtedness authorized by the
26 qualified voters of the municipality after April 1, 1993, but before March 31,
27 1997, to pay costs of school construction, additions to schools, and major
28 rehabilitation projects that exceed \$25,000 and are approved under
29 AS 14.07.020(a)(11).

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

31 (j) Except as provided in (l) of this section, the state may not allocate money

1 to a municipality for a school construction project under (a)(5) or (6) of this section
2 unless the municipality complies with the requirements of (1) - (5) [(1) - (4)] of this
3 subsection, the project is approved by the commissioner before the local vote on the
4 bond issue for the project, and the local vote occurs before July 1, 1987, or after
5 June 30, 1988. In approving a project under this subsection, the commissioner shall
6 require

7 (1) the municipality to include on the ballot for the bond issue the
8 estimated total cost of each project including estimated total interest, estimated annual
9 operation and maintenance costs, the estimated amounts that will be paid by the state
10 and by the municipality, and the approximate amount that would be due in annual
11 taxes on \$100,000 in assessed value to retire the debt;

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

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

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

19 (A) projected long-term student enrollment that indicates the
20 district has inadequate facilities to meet present or projected enrollment; or

21 (B) facilities that require repair or replacement in order to meet
22 health and safety laws or regulations or building codes;

23 (5) that after issuance of the bonds the percentage ratio of
24 municipal general obligation bonded indebtedness, other than general obligation
25 bonded indebtedness for school construction for which a municipality is eligible
26 to receive reimbursement under this section, to the full value of taxable real and
27 personal property as determined under AS 14.17.140, does not exceed the
28 following limits:

<u>Municipal population</u>	<u>Limit</u>
<u>0 - 5,000</u>	<u>2.0 percent</u>
<u>5,001 - 20,000</u>	<u>2.5 percent</u>

1	<u>20,001 - 35,000</u>	<u>3.0 percent</u>
2	<u>35,001 - 50,000</u>	<u>3.5 percent</u>
3	<u>50,001 - 100,000</u>	<u>4.0 percent</u>
4	<u>100,001 or greater</u>	<u>4.5 percent.</u>

5 * Sec. 3. AS 14.11.102 is amended by adding a new subsection to read:

6 (b) The department shall evaluate projects for which retirement of school
7 construction debt is requested. In evaluating projects the department shall consider at
8 least the following factors:

9 (1) emergency requirements;

10 (2) number of unhoused students;

11 (3) new elementary or secondary programs;

12 (4) existing regional, community, and school facilities, and their
13 condition;

14 (5) alternate education program options for accomplishing the project's
15 objectives; and

16 (6) economic and social stability of the community.

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