

SB

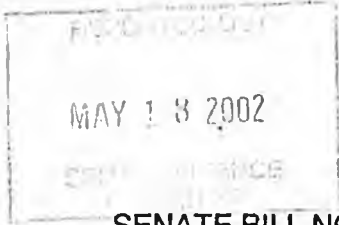
2002

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/17/02



FURTHER:

DATE TURNED IN TO OFFICE: 18 May 2002

Finance Committee considered SENATE BILL NO. 2002

SB2002 MUNICIPAL BOND REIMBURSEMENT

"An Act relating to construction, rehabilitation, and improvement of schools and education-related facilities; relating to municipal bond reimbursement for school construction; and providing for an effective date."

and recommends:

- be replaced with CS SB 2002 (FIN)
- adopt previous CS forthcoming
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Lyle Green</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>W. Hunter</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>D. C. Olson</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Samy White</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Kevin D. Jensen</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COCHAIR: <i>[Signature]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

2006

1 municipality on or after June 30, 1999, but before July 1, ~~2008~~; to pay costs of
2 school construction, additions to schools, and major rehabilitation projects and
3 education related facilities that exceed \$200,000, are approved under
4 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section:

5 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60
6 percent of payments made by a municipality during the fiscal year for the
7 retirement of principal and interest on outstanding bonds, notes, or other
8 indebtedness authorized by the qualified voters of the municipality on or after
9 June 30, 1999, but before July 1, ~~2008~~, to pay costs of school construction,
10 additions to schools, and major rehabilitation projects and education related
11 facilities that exceed \$200,000, are ~~approved~~ ^{reviewed} under AS 14.07.020(a)(11), and are
12 not reimbursed under (n) or (o) of this section.

13 * Sec. 7. AS 14.11.100(j) is amended to read:

14 (j) Except as provided in (l) of this section, the state may not allocate money
15 to a municipality for a school construction project under (a)(5), (6), (7), or (9) of this
16 section unless the municipality complies with the requirements of (1) - (5) [(1) - (4)]
17 of this subsection, the project is approved by the commissioner before the local vote
18 on the bond issue for the project or for bonds authorized after March 31, 1990, but on
19 or before April 30, 1993, the bonds are approved by the commissioner before
20 reimbursement by the state, and the local vote occurs before July 1, 1987, or after
21 June 30, 1988. In approving a project under this subsection, and to the extent required
22 under (a)(8) or (10) of this section, the commissioner shall require

23 (1) the municipality to include on the ballot for the bond issue, for
24 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
25 total cost of each project including estimated total interest, estimated annual operation
26 and maintenance costs, the estimated amounts that will be paid by the state and by the
27 municipality, and the approximate amount that would be due in annual taxes on
28 \$100,000 in assessed value to retire the debt;

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

31 (3) that the bonds must be repaid in approximately equal annual

1 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
2 costs of school construction, additions to schools, and major rehabilitation projects;

3 (8) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (n) of this section
4 and after projects funded by the bonds, notes, or other indebtedness have been
5 approved by the commissioner, 70 percent of payments made by the municipality
6 during the fiscal year for the retirement of principal and interest on outstanding bonds,
7 notes, or other indebtedness authorized by the qualified voters of the municipality on
8 or after July 1, 1995, but before July 1, 1998, to pay costs of school construction,
9 additions to schools, and major rehabilitation projects that exceed \$200,000 and are
10 approved under AS 14.07.020(a)(11);

11 (9) subject to (h), (i), (j)(2) - (5) [(j)], and (n) of this section and after
12 projects funded by the bonds, notes, or other indebtedness have been approved by the
13 commissioner, 70 percent of payments made by the municipality during the fiscal year
14 for the retirement of principal and interest on outstanding bonds, notes, or other
15 indebtedness authorized by the qualified voters of the municipality on or after July 1,
16 1998, but before July 1, 2006 [2004], to pay costs of school construction, additions to
17 schools, and major rehabilitation projects that exceed \$200,000 and are approved
18 under AS 14.07.020(a)(11);

19 (10) subject to (h) (i), (j)(2) - (5) [(j)(2) - (4)], and (o) of this section,
20 and after projects funded by the bonds, notes, or other indebtedness have been
21 approved by the commissioner, 70 percent of payments made by the municipality
22 during the fiscal year for the retirement of principal and interest on outstanding bonds,
23 notes, or other indebtedness authorized by the qualified voters of the municipality on
24 or after June 30, 1998, to pay costs of school construction, additions to schools, and
25 major rehabilitation projects that exceed \$200,000, are approved under
26 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

27 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after
28 projects funded by the bonds, notes, or other indebtedness have been approved
29 by the commissioner, 70 percent of payments made by a municipality during the
30 fiscal year for the retirement of principal and interest on outstanding bonds,
31 notes, or other indebtedness authorized by the qualified voters of the

1 as determined under AS 14.17.500;

2 (M) \$2,550,000 to projects in a municipality with a public
3 school enrollment of at least 290 but less than 375 students in fiscal year 2000,
4 as determined under AS 14.17.500.

5 * Sec. 10. AS 14.11.100(!:) is repealed. *2006*

6 * Sec. 11. AS 14.11.008(f) is repealed July 1, ~~2008~~.

7 * Sec. 12. The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 INTERVENING AMENDMENTS. It is the intent of the legislature that intervening
10 amendments affected by repeal and reenactment of law in this Act are not to be carried
11 forward once the repeal and reenactment of law in this Act takes effect.

12 * Sec. 13. The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 REPORT TO THE LEGISLATURE. By February 1, *2006*, ~~2008~~, the Department of
15 Education and Early Development shall provide to the governor and make available to the
16 public and the legislature a report on the effectiveness of the school construction grant and
17 school construction debt reimbursement program under AS 14.11.

18 * Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 CONTINGENT EFFECT OF CERTAIN SECTIONS. Sections 2, 5, 11, and 12 of
21 this Act take effect only if, under sec. 15 of this Act, secs. 1, 3, and 4 of this Act take effect.

22 * Sec. 15. Sections 1, 3, 4, 6 - 10, and 13 of this Act take effect on the date that the director
23 of elections certifies to the revisor of statutes that a majority of the qualified voters of the state
24 who vote on the question at the 2002 general election affirmatively voted to authorize the
25 contracting of state debt ~~in the principal amount of at least \$2,500,000~~ for the purpose of
26 financing capital improvements and major maintenance for schools in rural educational
27 attendance areas or municipal school districts.

28 * Sec. 16. If, under sec. 14 of this Act, secs. 2, 5, 11, and 12 of this Act take effect, they
29 take effect July 1, 2008.

30 * Sec. 17. Except as provided in secs. 15 and 16 of this Act, this Act takes effect
31 immediately under AS 01.10.070(c).

1 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
2 2000, as determined under AS 14.17.500;

3 (C) \$14,143,000 to projects in a municipality with a public
4 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
5 2000, as determined under AS 14.17.500;

6 (D) \$7,429,000 to projects in a municipality with a public
7 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
8 2000, as determined under AS 14.17.500;

9 (E) \$20,712,912 to projects in a municipality with a public
10 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
11 2000, as determined under AS 14.17.500;

12 (F) \$2,660,000 to projects in a municipality with a public
13 school enrollment of at least 2,750 but less than 3,000 students in fiscal year
14 2000, as determined under AS 14.17.500;

15 (G) \$454,000 to projects in a municipality with a public school
16 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
17 determined under AS 14.17.500;

18 (H) \$36,290,000 to projects in a municipality with a public
19 school enrollment of at least 2,050 but less than 2,400 students in fiscal year
20 2000, as determined under AS 14.17.500;

21 (I) \$329,000 to projects in a municipality with a public school
22 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as
23 determined under AS 14.17.500;

24 (J) \$286,000 to projects in a municipality with a public school
25 enrollment of at least 650 but less than 725 students in fiscal year 2000, as
26 determined under AS 14.17.500;

27 (K) \$519,000 to projects in a municipality with a public school
28 enrollment of at least 500 but less than 525 students in fiscal year 2000, as
29 determined under AS 14.17.500;

30 (L) \$2,224,000 to projects in a municipality with a public
31 school enrollment of at least 425 but less than 482 students in fiscal year 2000.