

**SB**

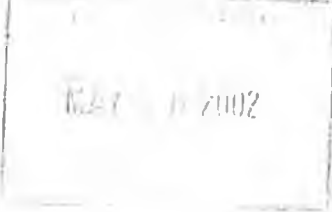
**2005**

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. 2005

*SB2005 MUNICIPAL BOND REIMBURSEMENT*

"An Act relating to municipal bond reimbursement for school construction; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- 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>	✓			
<i>Alan Curtis</i>			✓	
<i>[Signature]</i>			<del>✓</del>	✓
<i>D. Wilson</i>			✓	
<i>Gary [Signature]</i>	✓			
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>				✓

**SENATE BILL NO. 2005**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 5/17/02  
Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* **Section 1.** AS 14.11.100(a)(8) is amended to read:

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

13 \* **Sec. 2.** AS 14.11.100(a)(10) is amended to read:

14 (10) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (o) of this section.

1 and after projects funded by the bonds, notes, or other indebtedness have been  
2 approved by the commissioner, 70 percent of payments made by the municipality  
3 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
4 notes, or other indebtedness authorized by the qualified voters of the municipality on  
5 or after June 30, 1998, to pay costs of school construction, additions to schools, and  
6 major rehabilitation projects that exceed \$200,000, are approved under  
7 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section.

8 \* Sec. 3. AS 14.11.100(j) is amended to read:

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

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

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

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

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

31 (A) projected long-term student enrollment that indicates the

1 district has inadequate facilities to meet present or projected enrollment;

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

4 (C) demonstrated that the project will result in a reduction in  
5 annual operating costs that economically justifies the cost of the project; or

6 (D) facilities that require modification or rehabilitation for the  
7 purpose of improving the instructional program;

8 (5) evidence acceptable to the department that the district

9 (A) has a preventive maintenance plan that

10 (i) includes a computerized maintenance  
11 management program, cardex system, or other formal systematic  
12 means of tracking the timing and costs associated with planned and  
13 completed maintenance activities, including scheduled preventive  
14 maintenance;

15 (ii) addresses energy management for buildings  
16 owned or operated by the district;

17 (iii) includes a regular custodial care program for  
18 buildings owned or operated by the district;

19 (iv) includes preventive maintenance training for  
20 facility managers and maintenance employees;

21 (v) includes renewal and replacement schedules for  
22 electrical, mechanical, structural, and other components of  
23 facilities owned or operated by the district; and

24 (B) is adequately following the preventive maintenance  
25 plan.

26 \* Sec. 4. AS 14.11.100(k) is repealed.

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