

CS FOR SENATE BILL NO. 208(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 3/24/14

Referred: Finance

Sponsor(s): SENATOR OLSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the school construction debt reimbursement percentage for certain**
2 **municipalities; and 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) 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
15 fiscal year for the retirement of principal and interest on outstanding bonds,
16 notes, or other indebtedness incurred after December 31, 1981, and authorized
17 by the qualified voters of the municipality before July 1, 1983, to pay costs of
18 school construction, additions to schools, and major rehabilitation projects that
19 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

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

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

6 (5) subject to (h) - (j) of this section, 80 percent of

7 (A) payments made by the municipality during the fiscal year
 8 for the retirement of principal and interest on outstanding bonds, notes, or
 9 other indebtedness authorized by the qualified voters of the municipality

10 (i) after June 30, 1983, but before March 31, 1990, to
 11 pay costs of school construction, additions to schools, and major
 12 rehabilitation projects that exceed \$25,000 and are approved under
 13 AS 14.07.020(a)(11); or

14 (ii) before July 1, 1989, and reauthorized before
 15 November 1, 1989, to pay costs of school construction, additions to
 16 schools, and major rehabilitation projects that exceed \$25,000 and are
 17 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) - (j) and (m) of this section, 70 percent of payments
 24 made by the municipality during the fiscal year for the retirement of principal and
 25 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
 26 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
 27 costs of school construction, additions to schools, and major rehabilitation projects
 28 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

29 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
 30 made by the municipality during the fiscal year for the retirement of principal and
 31 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified

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

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

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

1 1999, but before January 1, 2005, to pay costs of school construction, additions to
2 schools, and major rehabilitation projects and education-related facilities that exceed
3 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
4 or (o) of this section;

5 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
6 of payments made by a municipality during the fiscal year for the retirement of
7 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
8 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
9 2005, to pay costs of school construction, additions to schools, and major
10 rehabilitation projects and education-related facilities that exceed \$200,000, are
11 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
12 section;

13 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
14 projects funded by the tax exempt bonds, notes, or other indebtedness have been
15 approved by the commissioner, 70 percent of payments made by a municipality during
16 the fiscal year for the retirement of principal and interest on outstanding tax exempt
17 bonds, notes, or other indebtedness authorized by the qualified voters of the
18 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
19 school construction, additions to schools, and major rehabilitation projects and
20 education-related facilities that exceed \$200,000, are approved under
21 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

22 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
23 percent of payments made by a municipality during the fiscal year for the retirement
24 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
25 authorized by the qualified voters of the municipality on or after June 30, 1999, but
26 before October 31, 2006, to pay costs of school construction, additions to schools, and
27 major rehabilitation projects and education-related facilities that exceed \$200,000, are
28 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
29 section;

30 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
31 projects funded by the bonds, notes, or other indebtedness have been approved by the

1 commissioner, 90 percent of payments made by a municipality during the fiscal year
 2 for the retirement of principal and interest on outstanding bonds, notes, or other
 3 indebtedness authorized by the qualified voters of the municipality on or after June 30,
 4 1999, but before October 31, 2006, to pay costs of school construction, additions to
 5 schools, and major rehabilitation projects and education-related facilities that exceed
 6 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
 7 share requirement for a municipal school district under the former participating share
 8 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of
 9 this section;

10 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
 11 funded by the tax exempt bonds, notes, or other indebtedness have been approved by
 12 the commissioner, 70 percent of payments made by a municipality during the fiscal
 13 year for the retirement of principal and interest on outstanding tax exempt bonds,
 14 notes, or other indebtedness authorized by the qualified voters of the municipality on
 15 or after October 1, 2006, to pay costs of school construction, additions to schools, and
 16 major rehabilitation projects and education-related facilities that exceed \$200,000, are
 17 approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

18 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
 19 of payments made by a municipality during the fiscal year for the retirement of
 20 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
 21 authorized by the qualified voters of the municipality on or after October 1, 2006, to
 22 pay costs of school construction, additions to schools, and major rehabilitation projects
 23 and education-related facilities that exceed \$200,000, are reviewed under
 24 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

25 **(18) subject to (h), (i), and (j)(2) - (5) of this section, and after**
 26 **projects funded by the tax exempt bonds, notes, or other indebtedness have been**
 27 **approved by the commissioner, 80 percent of payments made by a municipality**
 28 **during the fiscal year for the retirement of principal and interest on outstanding**
 29 **tax exempt bonds, notes, or other indebtedness authorized by the qualified voters**
 30 **of the municipality on or after June 30, 2014, to pay costs of school construction,**
 31 **additions to schools, and major rehabilitation projects and education-related**

1 **facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), are less**
2 **than or equal to the 20 percent participating share requirement for a municipal**
3 **school district under AS 14.11.008(b), and are not reimbursed under (n) or (o) of**
4 **this section.**

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 SCHOOL CONSTRUCTION DEBT REIMBURSEMENT; SPECIAL
8 REIMBURSEMENT PROCEDURE. Notwithstanding the June 30, 2014, date for voter
9 approval in AS 14.11.100(a)(18), added by sec. 1 of this Act, the commissioner of education
10 and early development shall allocate to a municipality that is a school district 80 percent debt
11 reimbursement for a school construction project that has been approved by the commissioner
12 for 70 percent debt reimbursement using state funds under AS 14.11.100(a)(16), that is less
13 than or equal to the 20 percent participating share requirement for a municipal school district
14 under AS 14.11.008(b), and that has been authorized by voters of the municipality on or after
15 January 1, 2013, to pay costs of school construction, additions to schools, and major
16 rehabilitation projects and education-related facilities.

17 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).