

HOUSE BILL NO. 106

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE WILSON

Introduced: 3/25/19

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to school bond debt reimbursement."**

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

3 * **Section 1.** AS 14.11.014(d) is amended to read:

4 (d) Notwithstanding any other provision of law, the committee may not
5 recommend for approval an application for bond debt reimbursement made by a
6 municipality for school construction or major maintenance for indebtedness authorized
7 by the qualified voters of the municipality on or after January 1, 2015, but before
8 July 1, 2025 [2020].

9 * **Sec. 2.** AS 14.11.100(a) is amended to read:

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

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

15 (2) 90 percent of

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

5 (B) cash payments made after June 30, 1976, and before July 1,
6 1978, by the municipality during the fiscal year two years earlier to pay costs
7 of school construction;

8 (3) 90 percent of

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

14 (B) cash payments made after June 30, 1978, and before July 1,
15 1982, by the municipality during the fiscal year two years earlier to pay costs
16 of school construction projects approved under AS 14.07.020(a)(11);

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

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

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

28 (C) payments made by the municipality during the current
29 fiscal year for the retirement of principal and interest on outstanding bonds,
30 notes, or other indebtedness to pay costs of school construction, additions to
31 schools, and major rehabilitation projects that exceed \$25,000 and are

submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

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

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

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

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects

1 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

2 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
3 made by the municipality during the fiscal year for the retirement of principal and
4 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
5 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
6 costs of school construction, additions to schools, and major rehabilitation projects;

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

15 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
16 projects funded by the bonds, notes, or other indebtedness have been approved by the
17 commissioner, 70 percent of payments made by the municipality during the fiscal year
18 for the retirement of principal and interest on outstanding bonds, notes, or other
19 indebtedness authorized by the qualified voters of the municipality on or after July 1,
20 1998, but before July 1, 2006, to pay costs of school construction, additions to
21 schools, and major rehabilitation projects that exceed \$200,000 and are approved
22 under AS 14.07.020(a)(11);

23 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
24 projects funded by the bonds, notes, or other indebtedness have been approved by the
25 commissioner, 70 percent of payments made by the municipality during the fiscal year
26 for the retirement of principal and interest on outstanding bonds, notes, or other
27 indebtedness authorized by the qualified voters of the municipality on or after June 30,
28 1998, to pay costs of school construction, additions to schools, and major
29 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
30 and are not reimbursed under (n) of this section;

31 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects

1 funded by the bonds, notes, or other indebtedness have been approved by the
 2 commissioner, 70 percent of payments made by a municipality during the fiscal year
 3 for the retirement of principal and interest on outstanding bonds, notes, or other
 4 indebtedness authorized by the qualified voters of the municipality on or after June 30,
 5 1999, but before January 1, 2005, to pay costs of school construction, additions to
 6 schools, and major rehabilitation projects and education-related facilities that exceed
 7 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
 8 or (o) of this section;

9 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
 10 of payments made by a municipality during the fiscal year for the retirement of
 11 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
 12 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
 13 2005, to pay costs of school construction, additions to schools, and major
 14 rehabilitation projects and education-related facilities that exceed \$200,000, are
 15 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
 16 section;

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

26 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
 27 percent of payments made by a municipality during the fiscal year for the retirement
 28 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
 29 authorized by the qualified voters of the municipality on or after June 30, 1999, but
 30 before October 31, 2006, to pay costs of school construction, additions to schools, and
 31 major rehabilitation projects and education-related facilities that exceed \$200,000, are

1 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
2 section;

3 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
4 projects funded by the bonds, notes, or other indebtedness have been approved by the
5 commissioner, 90 percent of payments made by a 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 June 30,
8 1999, but before October 31, 2006, to pay costs of school construction, additions to
9 schools, and major rehabilitation projects and education-related facilities that exceed
10 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
11 share requirement for a municipal school district under the former participating share
12 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of
13 this section;

14 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
15 funded by the tax exempt bonds, notes, or other indebtedness have been approved by
16 the commissioner, 70 percent of payments made by a municipality during the fiscal
17 year for the retirement of principal and interest on outstanding tax exempt bonds,
18 notes, or other indebtedness authorized by the qualified voters of the municipality on
19 or after October 1, 2006, but before January 1, 2015, to pay costs of school
20 construction, additions to schools, and major rehabilitation projects and education-
21 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and
22 are not reimbursed under (o) of this section;

23 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
24 of payments made by a municipality during the fiscal year for the retirement of
25 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
26 authorized by the qualified voters of the municipality on or after October 1, 2006, but
27 before January 1, 2015, to pay costs of school construction, additions to schools, and
28 major rehabilitation projects and education-related facilities that exceed \$200,000, are
29 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;
30 [.]

31 (18) [REPEALED]

(19)] subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 50 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, **2025** [2020], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(19) [(20)] subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent of payments made by a municipality during the fiscal year for the retirement of principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, **2025** [2020], to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

* **Sec. 3.** AS 14.11.100(s) is amended to read:

(s) Notwithstanding any other provision of law, the commissioner may not approve an application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, **2025** [2020].

* **Sec. 4.** AS 14.11.102(c) is amended to read:

(c) The commissioner may not allocate funds to a municipality under AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015, but before July 1, **2025** [2020].

* **Sec. 5.** Section 6, ch. 3, SLA 2015, is amended to read:

Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1, **2025** [2020].