

HOUSE BILL NO. 180

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES JOULE, Kerttula, Austerman

Introduced: 3/12/09

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the percentages required to be paid by a municipal school district
2 receiving a school construction or major maintenance grant; making a conforming
3 amendment to a bond debt reimbursement provision referencing the percentages; and
4 providing for an effective date."

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

6 * **Section 1.** AS 14.11.008(b) is amended to read:

7 (b) The required participating share for a municipal school district is based on
8 the district's full value per average daily membership (ADM), which is calculated by
9 dividing the full and true value of the taxable real and personal property in the district,
10 calculated as described in AS 14.17.510 by the district ADM as defined in
11 AS 14.17.990, for the same fiscal year for which the valuation was made. The
12 municipal district's full value per ADM determines the district's required participating
13 share, as follows:

14 Full Value Per ADM District Participating Share

1	\$1 - \$150,000	5 percent
2	150,001 - 275,000	10 percent
3	275,001 - <u>500,000</u> [800,000]	20 [30] percent
4	<u>500,001 - 800,000</u>	<u>30 percent</u>
5	over 800,000	35 percent.

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

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

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

12 (2) 90 percent of

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

17 (B) cash payments made after June 30, 1976, and before July 1,
18 1978, by the municipality during the fiscal year two years earlier to pay costs
19 of school construction;

20 (3) 90 percent of

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

26 (B) cash payments made after June 30, 1978, and before July 1,
27 1982, by the municipality during the fiscal year two years earlier to pay costs
28 of school construction projects approved under AS 14.07.020(a)(11);

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

30 (A) payments made by the municipality during the current
31 fiscal year for the retirement of principal and interest on outstanding bonds,

1 notes, or other indebtedness incurred after December 31, 1981, and authorized
2 by the qualified voters of the municipality before July 1, 1983, to pay costs of
3 school construction, additions to schools, and major rehabilitation projects that
4 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

5 (B) cash payments made after June 30, 1982, and before July 1,
6 1983, by the municipality during the fiscal year two years earlier to pay costs
7 of school construction, additions to schools, and major rehabilitation projects
8 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

9 (C) payments made by the municipality during the current
10 fiscal year for the retirement of principal and interest on outstanding bonds,
11 notes, or other indebtedness to pay costs of school construction, additions to
12 schools, and major rehabilitation projects that exceed \$25,000 and are
13 submitted to the department for approval under AS 14.07.020(a)(11) before
14 July 1, 1983, and approved by the qualified voters of the municipality before
15 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the
16 annual growth rate of average daily membership of the municipality is more
17 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual
18 growth rate of average daily membership of the municipality is 12 percent or
19 more; payments made by a municipality under this subparagraph on total
20 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph
21 are subject to (5)(A) of this subsection;

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

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

26 (i) after June 30, 1983, but before March 31, 1990, to
27 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); or

30 (ii) before July 1, 1989, and reauthorized before
31 November 1, 1989, to pay costs of school construction, additions to

1 schools, and major rehabilitation projects that exceed \$25,000 and are
2 approved under AS 14.07.020(a)(11); and

3 (B) cash payments made after June 30, 1983, by the
4 municipality during the fiscal year two years earlier to pay costs of school
5 construction, additions to schools, and major rehabilitation projects that exceed
6 \$25,000 and are approved by the department before July 1, 1990, under
7 AS 14.07.020(a)(11);

8 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
9 made by the municipality during the fiscal year for the retirement of principal and
10 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
11 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
12 costs of school construction, additions to schools, and major rehabilitation projects
13 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

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

19 (8) subject to (h), (i), (j)(2) - (5), and (n) 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 July 1,
24 1995, but before July 1, 1998, to pay costs of school construction, additions to
25 schools, and major rehabilitation projects that exceed \$200,000 and are approved
26 under AS 14.07.020(a)(11);

27 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
28 projects funded by the bonds, notes, or other indebtedness have been approved by the
29 commissioner, 70 percent of payments made by the 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 July 1,

1 1998, but before July 1, 2006, to pay costs of school construction, additions to
2 schools, and major rehabilitation projects that exceed \$200,000 and are approved
3 under AS 14.07.020(a)(11);

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

12 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
13 funded by the bonds, notes, or other indebtedness have been approved by the
14 commissioner, 70 percent of payments made by a municipality during the fiscal year
15 for the retirement of principal and interest on outstanding bonds, notes, or other
16 indebtedness authorized by the qualified voters of the municipality on or after June 30,
17 1999, but before January 1, 2005, to pay costs of school construction, additions to
18 schools, and major rehabilitation projects and education-related facilities that exceed
19 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
20 or (o) of this section;

21 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
22 of payments made by a municipality during the fiscal year for the retirement of
23 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
24 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
25 2005, to pay costs of school construction, additions to schools, and major
26 rehabilitation projects and education-related facilities that exceed \$200,000, are
27 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
28 section;

29 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
30 projects funded by the tax exempt bonds, notes, or other indebtedness have been
31 approved by the commissioner, 70 percent of payments made by a municipality during

1 the fiscal year for the retirement of principal and interest on outstanding tax exempt
 2 bonds, notes, or other indebtedness authorized by the qualified voters of the
 3 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
 4 school construction, additions to schools, and major rehabilitation projects and
 5 education-related facilities that exceed \$200,000, are approved under
 6 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

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

15 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
 16 projects funded by the bonds, notes, or other indebtedness have been approved by the
 17 commissioner, 90 percent of payments made by a 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 June 30,
 20 1999, but before October 31, 2006, to pay costs of school construction, additions to
 21 schools, and major rehabilitation projects and education-related facilities that exceed
 22 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
 23 share requirement for a municipal school district under **the former participating**
 24 **share amounts required under** AS 14.11.008(b), and are not reimbursed under (n) or
 25 (o) of this section;

26 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
 27 funded by the tax exempt bonds, notes, or other indebtedness have been approved by
 28 the commissioner, 70 percent of payments made by a municipality during the fiscal
 29 year for the retirement of principal and interest on outstanding tax exempt bonds,
 30 notes, or other indebtedness authorized by the qualified voters of the municipality on
 31 or after October 1, 2006, but before November 30, 2010, to pay costs of school

1 construction, additions to schools, and major rehabilitation projects and education-
2 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and
3 are not reimbursed under (o) of this section;

4 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
5 of payments made by a municipality during the fiscal year for the retirement of
6 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
7 authorized by the qualified voters of the municipality on or after October 1, 2006, but
8 before November 30, 2010, to pay costs of school construction, additions to schools,
9 and major rehabilitation projects and education-related facilities that exceed \$200,000,
10 are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this
11 section.

12 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **RETROACTIVITY.** AS 14.11.008(b), as amended by sec. 1 of this Act, applies
15 retroactively to an appropriation made under AS 37.05.560 or a grant approved under
16 AS 14.11.008(a) on or after April 1, 2008.

17 * **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).