

HOUSE BILL NO. 217

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE AUSTERMAN

Introduced: 3/31/11
Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

3 *** Section 1.** AS 14.11.100(j) is amended to read:

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

13 (1) the municipality to include on the ballot for the bond issue, for
14 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
15 total cost of each project including estimated total interest, estimated annual operation

1 and maintenance costs, the estimated amounts that will be paid by the state and by the
 2 municipality, and the approximate amount that would be due in annual taxes on
 3 \$100,000 in assessed value to retire the debt;

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

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

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

11 (A) projected long-term student enrollment that indicates the
 12 district has inadequate facilities to meet present or projected enrollment;

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

15 (C) demonstrated that the project will result in a reduction in
 16 annual operating costs that economically justifies the cost of the project; [OR]

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

19 **(E) facilities that are inadequate or require repair,**
 20 **replacement, or modification to meet present or projected vocational or**
 21 **technical education needs;**

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

23 (A) has a preventive maintenance plan that

24 (i) includes a computerized maintenance management
 25 program, cardex system, or other formal systematic means of tracking
 26 the timing and costs associated with planned and completed
 27 maintenance activities, including scheduled preventive maintenance;

28 (ii) addresses energy management for buildings owned
 29 or operated by the district;

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

1 (iv) includes preventive maintenance training for
2 facility managers and maintenance employees; and

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

6 (B) is adequately following the preventive maintenance plan.

7 * **Sec. 2.** AS 14.11.100 is amended by adding a new subsection to read:

8 (s) Notwithstanding the requirements for debt reimbursement under (a)(16)
9 and (17) of this section, the percentage of payments made by a municipality during the
10 fiscal year for the retirement of principal of and interest on an indebtedness for a
11 project that is approved by the commissioner and authorized by the voters of the
12 municipality in which the project is located may be prorated under this section. If less
13 than half of the costs associated with an approved project qualify under (a)(16) of this
14 section for 70 percent reimbursement, the state shall allocate the 70 percent
15 reimbursement rate for only those portions that qualify for the 70 percent
16 reimbursement rate and allocate 60 percent reimbursement for the remaining portions
17 of the project that qualify under (a)(17) of this section. If more than half of the costs
18 associated with an approved project qualify under (a)(16) of this section for 70 percent
19 reimbursement, the state shall allocate 70 percent reimbursement for the entire project.