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**SENATE CS FOR CS FOR HOUSE BILL NO. 305(RLS)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered: 5/11/02

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES MURKOWSKI, HARRIS, MULDER, JAMES, Hudson, Green, Guess,  
Dyson, Foster

SENATORS Leman, Taylor, Phillips, Stevens, Halford, Wilken

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act prohibiting certain state employment, a student loan, or a permanent fund**  
2   **dividend for a person who fails to register for the military selective service; and**  
3   **providing for an effective date."**

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

5    \* **Section 1.** AS 14.43.125(a) is amended to read:

6           (a) A person is eligible for a loan if the person

7                   (1) is

8                           (A) enrolled as a full-time student in a career education,  
9                   associate, baccalaureate, or graduate degree program;

10                           (B) enrolled as a half-time student in a career education,  
11                   associate, baccalaureate, or graduate degree program

12                                   (i) in the state; or

13                                   (ii) out of the state and is physically present in this state  
14                   while attending that program; or

(C) a graduate of a high school or the equivalent, or scheduled for graduation from a high school within six months, who, at the time of loan disbursement, will be enrolled in compliance with (A) or (B) of this paragraph;

(2) is not delinquent and has never been in default on a loan previously awarded by the commission;

(3) is a resident of the state at the time of application for the loan; for purposes of this section, a person qualifies as a resident of the state if at the time of application for the loan the person

(A) has been physically present in the state for at least one year immediately before the time of application for the loan with the intent to remain indefinitely;

(B) is dependent on a parent or guardian for care, the parent or guardian has been present in the state for at least one year immediately before the time of application for the loan with the intent to remain indefinitely, and the person has been present in the state for at least one year of the immediately preceding five years except that the commission may by a two-thirds vote, acting upon a written appeal by the person, grant an exemption to the requirement that the person has been present in the state for one year of the immediately preceding five years;

(C) has been physically present in the state for at least one year immediately before the applicant was absent from the state, the person intends to return permanently to the state, and the absence is due solely to

(i) serving an initial period of up to three years on active duty as a member of the armed forces of the United States;

(ii) serving for up to three years as a full-time volunteer under the Peace Corps Act;

(iii) serving for up to three years as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

(iv) required medical care for the applicant or the applicant's immediate family;

(v) being a person who otherwise qualifies as a resident

1 and is accompanying a spouse who qualifies as a resident under (i) -  
 2 (iv) of this paragraph;

3 (vi) an absence allowed under (D)(i) - (iv) of this  
 4 paragraph; or

5 (D) is a dependent of a parent or guardian who has been  
 6 physically present in the state for at least one year immediately before the  
 7 parent or guardian was absent from the state, the parent or guardian intends to  
 8 return permanently to the state, and the absence is due solely to

9 (i) participating in a foreign exchange student program  
 10 recognized by the commission;

11 (ii) attending a school as a full-time student;

12 (iii) full-time employment by the state;

13 (iv) being a member of or employed full-time by the  
 14 state's congressional delegation;

15 (v) being a person who otherwise qualifies as a resident  
 16 and is accompanying a spouse who qualifies as a resident under (i) -  
 17 (iv) of this paragraph;

18 (4) does not have a past due child support obligation established by  
 19 court order or by the child support enforcement division under AS 25.27.160 -  
 20 25.27.220 at the time of application or loan disbursement;

21 (5) has not, within the previous five years, had a loan discharged or  
 22 written off by the commission for any reason;

23 (6) does not have a status, at the time of the application for a loan or  
 24 disbursement of loan funds, that would prevent the person from repaying the loan as it  
 25 becomes due;

26 (7) has not within the previous seven years defaulted on another loan  
 27 made to the person by a lending entity unless the person can show good faith efforts to  
 28 repay the loan and extraordinary circumstances that led to the default; [AND]

29 (8) does not have a credit history, at the time of application for a loan,  
 30 that demonstrates chronic inability or unwillingness to pay an extension of credit or  
 31 loan as it becomes due; **and**

1                   **(9) has complied with the military selective service registration**  
 2                   **requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act),**  
 3                   **if those requirements were applicable to the person.**

4       \* Sec. 2. AS 14.43.172(c) is amended to read:

5                   (c) In addition to the provisions of (a) of this section, a borrower is eligible for  
 6                   a loan under AS 14.43.170 - 14.43.175 if the borrower

7                               (1) is not delinquent on and has never been in default on a loan  
 8                   previously awarded by the commission;

9                               (2) at the time of application or loan disbursement does not have a past  
 10                   due child support obligation established by court order or by the child support  
 11                   enforcement division under AS 25.27.160 - 25.27.220;

12                              (3) has not, within the previous five years, had a loan discharged or  
 13                   written off by the commission for any reason;

14                              (4) does not have a status, at the time of application for a loan or  
 15                   disbursement of loan money, that would prevent the borrower from repaying the loan  
 16                   as it becomes due;

17                              (5) has not within the previous five years defaulted on another loan  
 18                   made to the borrower by a lending entity unless the borrower can show good faith  
 19                   efforts to repay the loan and extraordinary circumstances that led to the default;  
 20                   [AND]

21                              (6) does not have a credit history, at the time of application for a loan,  
 22                   that demonstrates chronic inability or unwillingness to pay an extension of credit or  
 23                   loan as it becomes due; **and**

24                   **(7) has complied with the military selective service registration**  
 25                   **requirements imposed under 50 U.S.C App. 453 (Military Selective Service Act),**  
 26                   **if those requirements were applicable to the person.**

27       \* Sec. 3. AS 14.43.750(a) is amended to read:

28                   (a) A person may apply for and obtain a family education loan on behalf of a  
 29                   family member if

30                              (1) the borrower

31                                      (A) is a resident of the state at the time of application for the

loan; for purposes of this paragraph, a borrower qualifies as a resident of the state if the borrower has been physically present in the state for at least one year immediately before the time of application for the loan with the intent to remain indefinitely or, if not physically present in the state, the borrower has not declared or established residency in another state, intends to return permanently to the state, and the absence meets the requirements imposed under AS 14.43.125(a)(3)(C)(i) - (vi);

(B) satisfies the requirements of AS 14.43.125(a)(6) - (9) [AS 14.43.125(a)(6) - (8)];

(2) the family member

(A) is enrolled as a full-time student in a career education, associate, baccalaureate, or graduate degree program; or

(B) is a graduate of a high school or the equivalent, or scheduled for graduation from a high school within six months, who, at the time of loan disbursement, will be enrolled in compliance with (A) of this paragraph; and

(3) neither the borrower nor the family member

(A) is delinquent or has ever been in default on a loan previously awarded by the commission;

(B) is past due on a child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220 at the time of application or loan disbursement;

(C) has, within the previous five years, had a loan discharged or written off by the commission for any reason.

\* **Sec. 4.** AS 39.25.160 is amended by adding a new subsection to read:

(k) A person may not be employed in the classified, partially exempt, or exempt service unless the person has complied with the military selective service registration requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if those requirements were applicable to the person. Notwithstanding AS 39.25.110, this subsection applies to employees in the exempt service except

(1) a justice, a judge, or a magistrate;

- (2) the governor or the lieutenant governor;
- (3) a member of the legislature;
- (4) a person appointed under art. III, sec. 25, or art. III, sec. 26, Constitution of the State of Alaska.

\* **Sec. 5.** AS 43.23.005(a) is amended to read:

(a) An individual is eligible to receive one permanent fund dividend each year in an amount to be determined under AS 43.23.025 if the individual

- (1) applies to the department;
- (2) is a state resident on the date of application;
- (3) was a state resident during the entire qualifying year;
- (4) has been physically present in the state for at least 72 consecutive hours at some time during the prior two years before the current dividend year;

- (5) is
  - (A) a citizen of the United States;
  - (B) an alien lawfully admitted for permanent residence in the United States;
  - (C) an alien with refugee status under federal law; or
  - (D) an alien that has been granted asylum under federal law;

[AND]

(6) was, at all times during the qualifying year, physically present in the state or, if absent, was absent only as allowed in AS 43.23.008; **and**

**(7) was in compliance during the qualifying year with the military selective service registration requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if those requirements were applicable to the individual, or has come into compliance after being notified of the lack of compliance.**

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

APPLICABILITY. This Act applies to a person who seeks employment with the state, applies for an education loan, supplemental education loan, or family education loan under AS 14.43, or applies for a permanent fund dividend under AS 43.23 on or after the

- 1 effective date of the appropriate corresponding section of this Act.
- 2 \* **Sec. 7.** Sections 1 - 3 and 6 of this Act take effect July 1, 2003.
- 3 \* **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect January 1, 2004.