

**HOUSE BILL NO. 246**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE DAVIES

Introduced: 5/18/99

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to reimbursement of student loans; and providing for an  
2 effective date."

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

4 \* **Section 1.** AS 14.43 is amended by adding a new subsection to read:

5 **Sec. 14.43.142. Reimbursement of borrowers.** (a) If a borrower has  
6 graduated from a career education program or received an undergraduate degree from  
7 a college or university, is employed within the state, and has complied with  
8 AS 14.43.120, a portion of the payments made by the borrower for a loan made under  
9 AS 14.43.110 shall be reimbursed to the borrower by the state equal to the following  
10 percentages of the total loan received plus interest, up to a total of 50 percent of the  
11 total loan plus interest:

12 (1) one year employment, 10 percent;

13 (2) two years employment, an additional 10 percent;

14 (3) three years employment, an additional 10 percent;

1 (4) four years employment, an additional 10 percent;

2 (5) five years employment, an additional 10 percent.

3 (b) The loan amount reimbursed to the borrower may not exceed the loan  
4 amount paid by the borrower to the state. Notwithstanding any other provision of law,  
5 while a person's loan is being reimbursed by the state under (a) of this section, that  
6 person may not receive forgiveness of a loan under any other provision of this chapter.

7 (c) Reimbursement under (a) of this section is subject to appropriation by the  
8 legislature. Money obtained from the sale of bonds by the Student Loan Corporation  
9 under AS 14.42.220 may not be appropriated for the payment of reimbursement of  
10 loans.

11 \* **Sec. 2.** APPLICABILITY. This Act applies to loans entered into on or after July 1,  
12 1999, and to a person's employment that occurs on or after July 1, 1999.

13 \* **Sec. 3.** This Act takes effect July 1, 1999.