

**SENATE BILL NO. 61**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY SENATORS AUSTERMAN, Taylor**

**Introduced: 1/30/01**

**Referred: Health, Education and Social Services, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to forgiveness of certain student loans; and providing for an effective**  
2 **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 section to read:

5 **Sec. 14.43.142. Loan forgiveness of loans made to borrowers employed as**  
6 **public school teachers.** (a) The state shall forgive a loan made to a borrower who  
7 has received an undergraduate or graduate degree from a college or university, is  
8 employed at a public elementary or secondary school within the state as a teacher, and  
9 has complied with AS 14.43.120. The amount to be forgiven under this section is the  
10 portion of the payments to be made by the borrower for a loan made under  
11 AS 14.43.090 equal to the following percentages of the total loan received plus  
12 interest, up to a total of 50 percent of the total loan plus interest:

- 13 (1) one year employment, 10 percent;  
14 (2) two years employment, an additional 10 percent;

- 1                   (3) three years employment, an additional 10 percent;  
2                   (4) four years employment, an additional 10 percent;  
3                   (5) five years employment, an additional 10 percent.

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

9       \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11                   **APPLICABILITY.** This Act applies to loans entered into on or after July 1, 2001, and  
12 to a person's employment that occurs on or after July 1, 2001.

13       \* **Sec. 3.** This Act takes effect July 1, 2001.