

HOUSE BILL NO. 37

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES STEVENS, Kerttula

Introduced: 1/8/01

Referred: House Special Committee on Education, Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to reimbursement of certain 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 section to read:

5 **Sec. 14.43.142. Reimbursement of borrowers employed as public school**
6 **teachers.** (a) The state shall reimburse a borrower who has received an
7 undergraduate degree from a college or university, is employed at a public elementary
8 or secondary school within the state as a teacher, and has complied with
9 AS 14.43.120. The amount to be reimbursed under this section is the portion of the
10 payments made by the borrower for a loan made under AS 14.43.110 equal to the
11 following percentages of the total loan received plus interest, up to a total of 50
12 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 loan amount reimbursed to the borrower may not exceed the loan
5 amount paid by the borrower to the state. Notwithstanding any other provision of law,
6 while a person's loan is being reimbursed by the state under (a) of this section, that
7 person may not receive forgiveness of a loan under any other provision of this chapter.

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

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

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

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