

Original sponsors: Beirne, Martin  
and Halford

Offered: 4/2/82  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 709 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scholarship loans; and providing  
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
11 loan, not to exceed \$5,000 [\$6,000] in any one school year, to an under-  
12 graduate student eligible under AS 14.40.765.

13 \* Sec. 2. AS 14.40.763(d) is amended to read:

14 (d) Scholarship loans may not be made to a borrower [STUDENT]

15 (1) for more than four [FIVE] years of undergraduate study  
16 unless the program of study requires more than four years attendance,  
17 and in that case the loans may be made for not more than five years of  
18 undergraduate study;

19 (2) for more than four [FIVE] years of graduate study unless  
20 the program of study requires more than four years attendance, and in  
21 that case the loans may be made for not more than five years of graduate  
22 study;

23 (3) for more than a total of eight years of undergraduate and  
24 graduate study.

25 \* Sec. 3. AS 14.40.763(f) is amended to read:

26 (f) Interest on a loan given under AS 14.40.751 - 14.40.806 is at  
27 the rate of six [FIVE] percent a year.

28 \* Sec. 4. AS 14.40.763(k)(2) is amended to read:

29 (2) serving a first enlistment period of up to four years on

1 active duty as a member of the armed forces of the United States;

2 \* Sec. 5. AS 14.40.765(a) is amended by adding a new paragraph to read:

3 (4) is not delinquent or in default on a previously awarded  
4 scholarship loan.

5 \* Sec. 6. AS 14.40.765(b) is amended to read:

6 (b) In addition to the requirements of (a) of this section, to  
7 obtain a scholarship loan a person must have been a resident of the  
8 state for at least two years at the time he applies for the loan. For  
9 purposes of this subsection, a person qualifies as a resident of the  
10 state if at the time he applies for the loan the person

11 (1) has been present in the state for at least two years [UN-  
12 LESS HIS ABSENCE FROM THE STATE DURING ANY PART OF THE TWO YEARS WAS DUE  
13 TO MILITARY SERVICE]; [OR]

14 (2) is a person who is dependent on a parent or guardian for  
15 his care, and the parent or guardian has been present in the state for  
16 at least two years immediately before the date of the loan application;  
17 or

18 (3) has been physically present in the state for at least two  
19 years immediately before his absence from the state and his absence is  
20 due solely to

21 (A) military service;

22 (B) attending a school as a full-time student; or

23 (C) full-time employment by the state or its congres-  
24 sional delegation.

25 \* Sec. 7. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.766. APPLICATION. (a) An application for a scholar-  
27 ship loan must be filed with the commission by

28 (1) July 15 for a semester beginning July 1 to October 31 of  
29 that year;

1 (2) November 15 for a semester beginning November 1 of that  
2 year to February 29 of the following year;

3 (3) March 15 for a semester beginning March 1 to June 30 of  
4 that year.

5 (b) Affidavits from at least four residents other than the appli-  
6 cant must be submitted with an application for a scholarship loan. Each  
7 affidavit must state that the affiant knows that the applicant has been  
8 physically present in the state for at least two years immediately  
9 before the date the application is filed or was absent during any part  
10 of the two years due to military service or attending the career educa-  
11 tion program, college or university identified in the affidavit. Each  
12 affidavit must bear a printed notice that a false statement made in it  
13 is an offense punishable by law. For purposes of this subsection resi-  
14 dents are individuals who have been physically present in the state for  
15 at least two years immediately before the date the application for a  
16 scholarship loan is filed.

17 \* Sec. 8. AS 14.40.767(a) is amended to read:

18 (a) The selection committee shall grant loans based on total point  
19 accumulations under this subsection with priority going to those appli-  
20 cants with the highest point accumulations, except as provided in (b) of  
21 this section [FOR LOAN APPLICATIONS COMPLETED BEFORE MAY 15 OF EACH  
22 YEAR]. Points shall be awarded to applicants based upon student status  
23 and continuous Alaskan residency, according to the following schedule:

24 (1) student status:

25 (A) continuing undergraduate and graduate students with  
26 existing Alaska scholarship loans..... 4 points

27 (B) continuing undergraduate and graduate students with-  
28 out existing Alaska scholarship loans..... 3 points

29 (C) freshmen..... 2 points

1 (D) new graduate students without existing Alaska  
2 scholarship loans..... 1 point

3 (2) continuous Alaskan residency:

4 (A) students with continuous Alaskan residency of 10  
5 years or more..... 3 points

6 (B) students with continuous Alaskan residency of at  
7 least 5 years and less than 10 years..... 2 points

8 (C) students with continuous Alaskan residency of more  
9 than 2 years and less than 5 years..... 1 point

10 (3) students attending Alaska colleges or universities  
11 ..... 1 point

12 \* Sec. 9. AS 14.40.767(b)(2) is repealed.

13 \* Sec. 10. Section 7 of this Act takes effect July 1, 1983.

14 \* Sec. 11. Sections 1 - 6 and 8 - 9 of this Act take effect July 1, 1982.