

SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION

S.F. No. 1935

(SENATE AUTHORS: ABELER and Draheim)		
DATE	D-PG	OFFICIAL STATUS
03/08/2017	1187	Introduction and first reading
		Referred to Higher Education Finance and Policy
04/27/2017	3332	Author stricken Clausen
		See SF2214, Art. 1, Sec. 2, Sub. 34; Art. 2, Sec. 11
		See SF943, Art. 1, Sec. 2, Sub. 34, Art. 2, Sec. 12

1.1

A bill for an act

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relating to higher education; providing student loan forgiveness to certain pilots

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and aircraft technicians; authorizing rulemaking; appropriating money; proposing

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coding for new law in Minnesota Statutes, chapter 136A.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. **[136A.1794] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

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Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision

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have the meanings given them.

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(b) "Qualified aircraft technician" means an individual who (1) has earned an associate's

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or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has

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obtained an aviation mechanic's certificate from the Federal Aviation Administration.

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(c) "Qualified education loan" means a government, commercial, or foundation loan

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used by an individual for actual costs paid for tuition to a postsecondary institution located

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in Minnesota for a professional flight training degree.

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(d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's

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degree in professional flight training from a postsecondary institution located in Minnesota,

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and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

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Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account

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is established to provide qualified pilots and qualified aircraft technicians with financial

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assistance in repaying qualified education loans. The commissioner shall use money from

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the account to establish and administer the aviation degree loan forgiveness program.

(b) Appropriations made to the aviation degree loan forgiveness program account do not cancel and are available until expended.

Subd. 3. **Eligibility.** To be eligible to participate in the loan forgiveness program under this section, an individual must:

(1) be a qualified pilot or qualified aircraft technician;

(2) have qualified education loans; and

(3) submit an application to the commissioner in the form and manner prescribed by the commissioner.

Subd. 4. **Loan forgiveness.** (a) The commissioner may select eligible applicants each year for participation in the aviation degree loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified education loans.

(b) For each year that the participant meets the eligibility requirements under subdivision 3, the commissioner must make annual disbursements directly to:

(1) a selected qualified pilot residing in Minnesota of \$5,000 or the balance of the participant's qualified education loans, whichever is less;

(2) a selected qualified pilot who is not residing in Minnesota of \$2,500 or the balance of the participant's qualified education loans, whichever is less;

(3) a selected qualified aircraft technician residing in Minnesota of \$3,000 or the balance of the participant's qualified education loans, whichever is less; and

(4) a selected qualified aircraft technician who is not residing in Minnesota of \$1,500 or the balance of the participant's qualified education loans, whichever is less.

(c) An individual may receive disbursements under this section for a maximum of five years.

(d) The participant must provide the commissioner with verification that the full amount of the loan repayment disbursement received by the participant has been applied toward the designated qualified education loan. After each disbursement, verification must be received by the commissioner and approved before the next repayment disbursement is made.

(e) If the participant receives a disbursement in the participant's fifth year of eligibility, the participant must provide the commissioner with verification that the full amount of the participant's final loan repayment disbursement was applied toward the designated qualified education loan. If a participant does not provide the verification as required under this

3.1 paragraph within six months of receipt of the final disbursement, the commissioner must  
3.2 collect from the participant the amount of the final disbursement. The commissioner must  
3.3 deposit the money collected in the aviation degree loan forgiveness program account.

3.4 Subd. 5. **Rules.** The commissioner may adopt rules to implement this section.

3.5 Sec. 2. **LOAN FORGIVENESS; APPROPRIATION.**

3.6 \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the general  
3.7 fund to the commissioner of the Office of Higher Education for the loan forgiveness program  
3.8 under Minnesota Statutes, section 136A.1794, to be deposited in the aviation degree loan  
3.9 forgiveness program account.