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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1201

02/14/2019 Authored by Nornes, Bernardy, Lillie, Runbeck, Daniels and others
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to higher education; modifying aviation degree loan forgiveness provisions;
1.3 appropriating money; amending Minnesota Statutes 2018, section 136A.1789,
1.4 subdivisions 1, 3, 5.

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

1.6 Section 1. Minnesota Statutes 2018, section 136A.1789, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
1.9 have the meanings given them.

1.10 (b) "Qualified aircraft technician" means an individual who (1) has earned an associate's
1.11 or bachelor's degree preparing individuals to obtain an aviation mechanic's certificate from
1.12 the Federal Aviation Administration from a postsecondary institution located in Minnesota,
1.13 and (2) has obtained an aviation mechanic's certificate from the Federal Aviation
1.14 Administration.

1.15 (c) "Qualified education loan" means a government, commercial, or foundation loan
1.16 used by an individual for actual costs paid for tuition ~~to a postsecondary institution located~~
1.17 ~~in Minnesota for a professional flight training degree~~ and reasonable educational and living
1.18 expenses related to the postsecondary education of the qualified aircraft technician or
1.19 qualified pilot.

1.20 (d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's
1.21 degree ~~in professional flight training~~ preparing individuals to obtain an airline transport
1.22 pilot certificate from a postsecondary institution located in Minnesota, and (2) is in the
1.23 process of obtaining or has obtained an airline transport pilot certificate.

2.1 Sec. 2. Minnesota Statutes 2018, section 136A.1789, subdivision 3, is amended to read:

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

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

2.5 (2) have qualified education loans;

2.6 (3) reside in Minnesota; and

2.7 (4) submit an application to the commissioner in the form and manner prescribed by the
2.8 commissioner.

2.9 (b) An applicant selected to participate must sign a contract to agree to serve a ~~minimum~~
2.10 ~~one-year~~ five-year full-time service obligation according to subdivision 4. To complete the
2.11 service obligation, the applicant must work full time in Minnesota as a qualified pilot or
2.12 qualified aircraft technician. A participant must complete one year of service under this
2.13 paragraph for each year the participant receives an award under this section.

2.14 Sec. 3. Minnesota Statutes 2018, section 136A.1789, subdivision 5, is amended to read:

2.15 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each
2.16 year for participation in the aviation degree loan forgiveness program, within the limits of
2.17 available funding. Applicants are responsible for securing their own qualified education
2.18 loans.

2.19 (b) For each year that the participant meets the eligibility requirements under subdivision
2.20 3, the commissioner must make annual disbursements directly to:

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

2.23 (2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's
2.24 qualified education loans, whichever is less.

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

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

3.1 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,
3.2 the participant must provide the commissioner with verification that the full amount of the
3.3 participant's final loan repayment disbursement was applied toward the designated qualified
3.4 education loan. If a participant does not provide the verification as required under this
3.5 paragraph within ~~six~~ 12 months of receipt of the final disbursement, the commissioner must
3.6 collect from the participant the total amount of the final disbursement paid to the participant
3.7 under the loan forgiveness program plus interest at a rate established according to section
3.8 270C.40. The commissioner must deposit the money collected in the aviation degree loan
3.9 forgiveness program account.

3.10 Sec. 4. **APPROPRIATIONS.**

3.11 \$50,000 in fiscal year 2020 and \$50,000 in fiscal year 2021 is appropriated from the
3.12 general fund to the commissioner of the Office of Higher Education for transfer to the
3.13 aviation degree loan forgiveness program account in the special revenue fund under
3.14 Minnesota Statutes, section 136A.1789, subdivision 2.