REVISOR

17-2302

State of Minnesota

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03/06/2017

Authored by Nornes and Albright The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance

1.1	A bill for an act				
1.2 1.3	relating to higher education; providing student loan forgiveness to certain pilots and aircraft technicians; authorizing rulemaking; appropriating money; proposing				
1.4	coding for new law in Minnesota Statutes, chapter 136A.				
1.5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:				
1.6	Section 1. [136A.1794] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.				
1.7	Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision				
1.8	have the meanings given them.				
1.9	(b) "Qualified aircraft technician" means an individual who (1) has earned an associate's				
1.10	or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has				
1.11	obtained an aviation mechanic's certificate from the Federal Aviation Administration.				
1.12	(c) "Qualified education loan" means a government, commercial, or foundation loan				
1.13	used by an individual for actual costs paid for tuition to a postsecondary institution located				
1.14	in Minnesota for a professional flight training degree.				
1.15	(d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's				
1.16	degree in professional flight training from a postsecondary institution located in Minnesota,				
1.17	and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.				
1.18	Subd. 2. Creation of account. (a) An aviation degree loan forgiveness program account				
1.19	is established to provide qualified pilots and qualified aircraft technicians with financial				
1.20	assistance in repaying qualified education loans. The commissioner shall use money from				
1.21	the account to establish and administer the aviation degree loan forgiveness program.				

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2.1	(b) Appropriations made to the aviation degree loan forgiveness program account do				
2.2	not cancel and are available until expended.				
2.3	Subd. 3. Eligibility. To be eligible to participate in the loan forgiveness program under				
2.4	this section, an individual must:				
2.5	(1) be a qualified pilot or qualified aircraft technician;				
2.6	(2) have qualified education loans; and				
2.7	(3) submit an application to the commissioner in the form and manner prescribed by the				
2.8	commissioner.				
2.9 2.10	<u>Subd. 4.</u> Loan forgiveness. (a) The commissioner may select eligible applicants each year for participation in the aviation degree loan forgiveness program, within the limits of				
2.11	available funding. Applicants are responsible for securing their own qualified education				
2.12	loans.				
2.13	(b) For each year that the participation (b) For each year that year that year that the participation (b) For each year	int meets the eligibilit	ty requirements under	subdivision	
2.14	3, the commissioner must make annu	ual disbursements dir	rectly to:		
2.15	(1) a selected qualified pilot resid	ling in Minnesota of	\$5,000 or the balance	of the	
2.16	participant's qualified education loar	ns, whichever is less;			
2.17	(2) a selected qualified pilot who	is not residing in Mi	innesota of \$2,500 or	the balance	
2.18	of the participant's qualified education	on loans, whichever i	<u>s less;</u>		
2.19	(3) a selected qualified aircraft tec	hnician residing in N	1innesota of \$3,000 or	the balance	
2.20	of the participant's qualified education loans, whichever is less; and				
2.21	(4) a selected qualified aircraft technician who is not residing in Minnesota of \$1,500				
2.22	or the balance of the participant's qualified education loans, whichever is less.				
2.23	(c) An individual may receive disbursements under this section for a maximum of five				
2.24	years.				
2.25	(d) The participant must provide t	he commissioner wit	h verification that the	full amount	
2.26	of the loan repayment disbursement r	received by the partic	ipant has been applied	toward the	
2.27	designated qualified education loan.	After each disbursem	ent, verification must	be received	
2.28	by the commissioner and approved b	before the next repay	ment disbursement is	made.	
2.29	(e) If the participant receives a di	sbursement in the pa	rticipant's fifth year of	f eligibility,	
2.30	the participant must provide the com	missioner with verif	ication that the full arr	nount of the	
2.31	participant's final loan repayment dis	bursement was applie	ed toward the designate	ed qualified	
2.32	education loan. If a participant does	not provide the verif	ication as required une	der this	

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- 3.1 paragraph within six months of receipt of the final disbursement, the commissioner must
- 3.2 <u>collect from the participant the amount of the final disbursement. The commissioner must</u>
- 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 <u>fund to the commissioner of the Office of Higher Education for the loan forgiveness program</u>
- 3.8 <u>under Minnesota Statutes, section 136A.1794, to be deposited in the aviation degree loan</u>
- 3.9 forgiveness program account.