

CS FOR HOUSE BILL NO. 159(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/9/20

Referred: Rules

Sponsor(s): REPRESENTATIVES KREISS-TOMKINS, Drummond, Revak, Rasmussen, Story, Spohnholz

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to repayment conditions for medical education program participants;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 14.43.510(a) is amended to read:

5 (a) Except as provided under (b) and (c) of this section, as a condition of
6 participating in a medical education program under AS 14.42.033, a program
7 participant shall agree to either return to the state and actively engage in professional
8 medical practice or repay **the total amount of the** financial support provided by the
9 state **to the contracting postsecondary institution** on behalf of the program
10 participant, **plus interest** [. THE FINANCIAL SUPPORT TO BE REPAYED IS
11 EQUAL TO 50 PERCENT OF THE AMOUNT PAID FOR EACH PROGRAM
12 PARTICIPANT BY THE STATE TO THE CONTRACTING POSTSECONDARY
13 INSTITUTION, PLUS INTEREST]. The rate of interest is equal to the 12th Federal
14 Reserve District discount rate in effect on March 1 of the year in which the financial

1 support is provided plus two percentage points. Interest imposed under this subsection
2 begins to accrue when the person terminates studies under the medical education
3 program. Accrued interest shall be added to the principal balance of the repayment
4 obligation at the time the borrower is obligated to commence repayment and at the end
5 of a deferment period.

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

8 APPLICABILITY. This Act applies to participants in a medical education program
9 under AS 14.42.033 who enter into an agreement under AS 14.43.510 on or after the effective
10 date of this Act.

11 * **Sec. 3.** This Act takes effect January 1, 2021.