

HOUSE BILL No. 1581

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-13-12.

Synopsis: Student loan forgiveness for farmers. Establishes the Indiana farmer student loan forgiveness program. Defines "small farm". Provides that an individual who: (1) engages in agricultural activities as a small farm; and (2) participates in the day-to-day operation of a small farm; is eligible to receive a student loan forgiveness payment not to exceed \$10,000 to be used to satisfy the individual's outstanding student loans. Provides that the commission for higher education shall administer the program.

Effective: July 1, 2017.

Wright

January 23, 2017, read first time and referred to Committee on Education.



First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1581

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-13-12 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]:

4 **Chapter 12. Indiana Farmer Student Loan Forgiveness**
5 **Program**

6 **Sec. 1. As used in this chapter, "farming operation" means the**
7 **commercial production of products in connection with cultivating**
8 **the soil, or in connection with raising or harvesting any**
9 **agricultural or horticultural commodity, including the raising,**
10 **shearing, feeding, caring for, training, and management of**
11 **livestock, bees, poultry, and furbearing animals and wildlife.**

12 **Sec. 2. As used in this chapter, "fund" means the Indiana**
13 **farmer student loan forgiveness fund established by section 6 of**
14 **this chapter.**

15 **Sec. 3. As used in this chapter, "qualified farmer" refers to an**
16 **individual who qualifies for the Indiana farmer student loan**
17 **forgiveness program under section 9 of this chapter.**



1 **Sec. 4.** As used in this chapter, "small farm" means a farming
2 operation located in Indiana that, at the time of payment to a
3 qualified farmer under section 8 of this chapter, has annual gross
4 cash farm income that is at least thirty-five thousand dollars
5 (\$35,000) and not more than the greater of:

- 6 (1) five hundred thousand dollars (\$500,000); or
7 (2) one hundred forty percent (140%) of the maximum annual
8 gross cash farm income for a small farm under the typology
9 of the economic research service of the United States
10 Department of Agriculture.

11 **Sec. 5.** (a) The Indiana farmer student loan forgiveness program
12 is established.

13 (b) The commission shall administer the program.

14 **Sec. 6.** (a) The Indiana farmer student loan forgiveness fund is
15 established to encourage and promote agribusiness in Indiana.

16 (b) The fund consists of the following:

- 17 (1) Appropriations by the general assembly.
18 (2) Gifts to the fund.

19 **Sec. 7.** (a) The commission shall administer the fund.

20 (b) The expenses of administering the fund shall be paid from
21 money in the fund.

22 (c) The treasurer of state shall invest the money in the fund not
23 currently needed to meet the obligations of the fund in the same
24 manner as other public funds. Interest that accrues from those
25 investments shall be deposited in the fund.

26 (d) Money in the fund at the end of a fiscal year does not revert
27 to the state general fund but remains available to be used to
28 provide money for student loan forgiveness payments under this
29 chapter.

30 **Sec. 8.** (a) The money in the fund must be used to provide
31 student loan forgiveness payments to qualified farmers who are
32 residents of Indiana to be used to satisfy outstanding student loans
33 of the qualified farmer.

34 (b) Subject to section 10 of this chapter, a student loan
35 forgiveness payment awarded to a qualified farmer under this
36 section is equal to the lesser of the following amounts:

- 37 (1) The balance of the qualified farmer's total amount of
38 student loans.
39 (2) Ten thousand dollars (\$10,000).

40 (c) The commission may award a student loan forgiveness
41 payment as a lump sum or in incremental amounts not to exceed
42 the amount described in subsection (b).



1 (d) A qualified farmer is eligible for a student loan forgiveness
2 payment under this section if the individual meets the
3 qualifications under section 9 of this chapter.

4 Sec. 9. To qualify for a student loan forgiveness payment from
5 the fund, an individual must apply to the commission in a manner
6 prescribed by the commission and must:

7 (1) be a resident of Indiana;

8 (2) do both of the following:

9 (A) Engage in agricultural activities as a small farm.

10 (B) Participate in the day-to-day operation of a small farm;

11 (3) have obtained a baccalaureate, master's, or doctorate
12 degree from an approved postsecondary educational
13 institution;

14 (4) have an outstanding student loan balance;

15 (5) be approved by the commission; and

16 (6) meet any other conditions established by the commission.

17 Sec. 10. The commission shall annually allocate the available
18 money in the fund to each qualified farmer approved under this
19 chapter in proportion to the total number of qualified farmers
20 approved under this chapter.

21 Sec. 11. Each:

22 (1) individual who applies under this chapter; and

23 (2) qualified farmer approved under this chapter;

24 shall provide to the commission any information that the
25 commission determines is necessary to administer this chapter.

