

Introduced by

Representatives R. Kelsch, Delmore, Haas

Senators Grindberg, Krebsbach

1 A BILL for an Act to create and enact a new section to chapter 15-62.1 of the North Dakota  
2 Century Code, relating to student loan principal reductions; and to provide an appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 15-62.1 of the North Dakota Century Code is  
5 created and enacted as follows:

6 **Student loan principal reduction - Application.**

- 7 1. An individual who graduates on or after July 1, 2001, from a public institution of  
8 higher education in this state may apply to the Bank of North Dakota for a  
9 reduction in the principal amount of any student loan incurred by the individual  
10 provided:
- 11 a. The individual is licensed to teach by the education standards and practices  
12 board or approved to teach by the education standards and practices board;
- 13 b. The individual has signed a contract of employment with a school district in  
14 this state for the provision of high school classroom teaching services; and
- 15 c. The employing school district had an average daily membership during the  
16 2000-01 school year of five hundred fifty or fewer.
- 17 2. The Bank of North Dakota shall consider all applications under this section in  
18 chronological order.
- 19 3. Upon approval, the Bank of North Dakota shall annually reduce the principal  
20 amount of any student loan incurred by the individual by the lesser of the  
21 outstanding loan balance or two thousand dollars.
- 22 4. The total reduction in the principal amount of an individual's student loan, as  
23 provided for in this section, may not exceed ten thousand dollars.

1           **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the  
2   general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much  
3   of the sum as may be necessary, to the Bank of North Dakota for the purpose of reducing  
4   student loan repayments as provided in this Act, for the biennium beginning July 1, 2001, and  
5   ending June 30, 2003.