

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: H3/3/97 H3/5/97

A Bill

ACT 923 OF 1997
SENATE BILL 356

5 By: Senator Mahony
6 By: Representative Miller
7
8

For An Act To Be Entitled

9
10 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §§ 6-18-101, 6-18-
11 102, and 6-81-1101 AND TO REPEAL ARKANSAS CODE ANNOTATED §
12 6-81-1102 TO PROVIDE THAT FINANCIAL ASSISTANCE TO ARKANSAS
13 RESIDENTS ENGAGED IN THE STUDY OF DENTISTRY, OPTOMETRY,
14 VETERINARY MEDICINE, PODIATRY, CHIROPRACTIC, OR OSTEOPATHY
15 OUTSIDE THE STATE OF ARKANSAS SHALL BE IN THE FORM OF A
16 GRANT PROGRAM AND TO AUTHORIZE THE STUDENT LOAN AUTHORITY
17 TO MAKE SUCH GRANTS; TO DECLARE AN EMERGENCY; AND FOR
18 OTHER PURPOSES."

Subtitle

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20
21 "PROVIDING THAT FINANCIAL ASSISTANCE TO
22 ARKANSAS STUDENTS ENGAGED IN THE STUDY
23 OF DENTISTRY, OPTOMETRY, VETERINARY
24 MEDICINE, PODIATRY, CHIROPRACTIC, OR
25 OSTEOPATHY SHALL BE IN THE FORM OF A
26 GRANT PROGRAM."
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

30 SECTION 1. Arkansas Code Annotated § 6-81-1101 is amended to read as
31 follows:

32 "6-81-1101. Tuition assistance for certain professional schools.

33 (a) The Arkansas Student Loan Authority shall institute a program of
34 making ~~loans~~ grants to Arkansas residents to assist in paying tuition for
35 attending any accredited school of dentistry, school of optometry, school of
36 veterinary medicine, school of podiatry, school of chiropractic, or school of

1 osteopathy located outside the State of Arkansas.

2 (b)(1) For schools that charge different annual tuition amounts for in-
3 state students and out-of-state students, the amount will be the difference
4 between the in-state tuition and the out-of-state tuition.

5 (2) For schools which charge the same amount of annual tuition
6 for in-state and out-of-state students, and such annual tuition is
7 extraordinary as determined by the Department of Higher Education, the amount
8 shall not be less than five thousand dollars (\$5,000) per student.

9 (c)(1) The program shall be administered by the Arkansas Student Loan
10 Authority.

11 (2) The ~~loans~~ grants shall be made upon such terms and conditions
12 as are prescribed by the Arkansas Student Loan Authority, ~~except that if the~~
13 ~~recipient returns to Arkansas and engages in the practice of dentistry,~~
14 ~~optometry, veterinary medicine, podiatry, osteopathy, or chiropractic, the~~
15 ~~authority shall cancel and convert to a scholarship grant the full amount of~~
16 ~~one (1) year's loan plus accrued interest for each year of practice in~~
17 ~~Arkansas.~~

18 (3) The Arkansas Student Loan Authority shall promulgate such
19 rules and regulations as are necessary to implement the provisions of this
20 section.

21 (d)(1) Any person currently receiving assistance through the programs
22 enumerated in Act 1054 of 1991 as a loan shall ~~continue to receive his~~ any
23 future financial assistance as a grant ~~instead of a loan.~~

24 (2) The Arkansas Student Loan Authority shall forgive such loans
25 and portions of loans as have not been repaid and shall refund any moneys
26 collected as of the effective date of this act."

27

28 SECTION 2. Arkansas Code Annotated § 6-81-1102 is repealed.

29 ~~§ 6-81-1102. Deferred repayment.~~

30 ~~Effective July 1, 1993, those students receiving loans may defer their~~
31 ~~loan requirements by becoming licensed in the State of Arkansas within six (6)~~
32 ~~months after the date of graduation and entering into one (1) of the following~~
33 ~~services or programs and remaining there in active professional service before~~
34 ~~returning to Arkansas to satisfy their loan requirements:~~

35 ~~(1) The Veterans' Affairs Department;~~

36 ~~(2) The Indian Health Service;~~

- 1 ~~— (3) A branch of the uniformed military services;~~
- 2 ~~— (4) The United States Public Health Service; or~~
- 3 ~~— (5) An approved residency program.~~

4

5 SECTION 3. Arkansas Code Annotated § 6-81-101 is amended to read as

6 follows:

7 "6-81-101. Definitions.

8 As used in this subchapter, unless the context otherwise requires:

9 (1) Board of Finance means the State Board of Finance created by § 19-

10 3-101;

11 (2) Arkansas Student Loan Authority or the authority means the

12 Arkansas Student Loan Authority established for the purpose described in § 6-

13 81-102;

14 (3) Grant means a payment of money made in accordance with § 6-81-1101

15 to assist a qualified grantee for payment of tuition to attend any accredited

16 school of dentistry, optometry, veterinary medicine, podiatry, chiropractic,

17 or osteopathy located outside the State of Arkansas;

18 ~~— (3)(4)~~ Guaranteed educational loan means a loan made in accordance

19 with Title IV, Part B, of the Higher Education Act of 1965, as amended, or

20 pursuant to an alternative educational loan program undertaken by the

21 authority and consistent with the provisions of this subchapter, to a

22 qualified borrower for payment of educational expenses incurred by a student

23 while attending a participating institution, the payment of principal of and

24 interest on which is insured by the federal Secretary of Education under the

25 Higher Education Act of 1965, as amended, or by the Student Loan Guarantee

26 Foundation of Arkansas, or by such other guarantors as the authority may

27 approve;

28 ~~— (4)(5)~~ Qualified borrower means a student, or the parent of a student,

29 who:

30 (A) Qualifies for a guaranteed educational loan; and

31 (B) Is a resident of the State of Arkansas or has been accepted

32 for enrollment at or is attending a participating institution within the State

33 of Arkansas or is borrowing from a lender doing business within the State of

34 Arkansas, including the authority;

35 (6) Qualified grantee means a student who:

36 (A) Qualifies for a grant; and

1 (B) Is a resident of the State of Arkansas and has been accepted
 2 for enrollment at or is attending an accredited school of dentistry,
 3 optometry, veterinary medicine, podiatry, osteopathy, or chiropractic located
 4 outside the state of Arkansas and has been certified as qualified to
 5 participate in the grant program authorized by § 6-81-1101 and consistent with
 6 § 6-4-106;

7 ~~(5)~~(7) Participating institution means any post high school
 8 educational institution, public or private, whose students are eligible for
 9 guaranteed educational loans; and

10 ~~(6)~~(8) Obligation or bond or bonds means any bond, note,
 11 certificate, or other evidence of indebtedness, whether or not the interest on
 12 such obligation shall be subject to federal income taxation."
 13

14 SECTION 4. Arkansas Code Annotated § 6-81-102(b) is amended to read as
 15 follows:

16 "(b) The authority authorized to be established is created for the
 17 purpose of making grants and guaranteed educational loans and dealing in, by
 18 buying or selling, guaranteed educational loan notes."
 19

20 SECTION 5. All provisions of this act of a general and permanent nature
 21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 22 Revision Commission shall incorporate the same in the Code.
 23

24 SECTION 6. If any provision of this act or the application thereof to
 25 any person or circumstance is held invalid, such invalidity shall not affect
 26 other provisions or applications of the act which can be given effect without
 27 the invalid provision or application, and to this end the provisions of this
 28 act are declared to be severable.
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30 SECTION 7. All laws and parts of laws in conflict with this act are
 31 hereby repealed.
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33 SECTION 8. EMERGENCY. It is found and determined by the General
 34 Assembly that there is an urgent need to change the program offering annual
 35 tuition support for Arkansas students attending out-of-state schools in
 36 dentistry, optometry, veterinary medicine, podiatry, osteopathy, and

1 chiropractic as one providing grants instead of loans, and that in the event
2 of an extension of the Regular session, any delay in the effective date of
3 this act beyond July 1, 1997, could work irreparable harm upon the proper
4 administration and provision of such program. Therefore an emergency is
5 declared to exist and this act being necessary for the preservation of the
6 public peace, health and safety shall be in full force and effect from and
7 after July 1, 1997.

8 /s/Sen. Mahony et al

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10 APPROVED:3-31-97
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