

HOUSE BILL 397

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HB 878/00 - W&M

2001 Regular Session
1r1470

By: **Delegate Gladden**

Introduced and read first time: February 1, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Lawyers - Student Financial Assistance**

3 FOR the purpose of requiring the State Scholarship Administration to assist in the
4 repayment of certain loans by certain lawyers under the Loan Assistance
5 Repayment Program; and generally relating to debt repayment assistance for
6 certain lawyers under the Loan Assistance Repayment Program.

7 BY repealing and reenacting, without amendments,
8 Article - Education
9 Section 18-1501, 18-1502(a), and 18-1503
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2000 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Education
14 Section 18-1502(b)
15 Annotated Code of Maryland
16 (1999 Replacement Volume and 2000 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Education**

20 18-1501.

21 (a) In this subtitle the following words have the meanings indicated.

22 (b) (1) "Eligible field of employment" means employment in the State by an
23 organization, institution, association, society, or corporation that is exempt from
24 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

25 (2) "Eligible field of employment" includes employment by the State or
26 any local government in the State, but does not include being employed as a judicial
27 clerk in any court.

1 (c) "Higher education loan" means any loan for undergraduate or graduate
2 study that is obtained for tuition, educational expenses or living expenses from:

3 (1) A college or university, government, or commercial source; or

4 (2) An organization, institution, association, society, or corporation that
5 is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

6 18-1502.

7 (a) There is a program of loan assistance repayment in the State.

8 (b) Subject to the provisions of subsection (c) of this section, the State
9 Scholarship Administration shall assist in the repayment of the amount of any higher
10 education loan owed by an individual who:

11 (1) Receives a graduate, professional, or undergraduate degree from:

12 (i) A college or university in the State of Maryland; [or]

13 (ii) A school of medicine; OR

14 (III) A SCHOOL OF LAW;

15 (2) Obtains eligible employment;

16 (3) Receives an income that is less than the maximum eligible total
17 income levels established by the Administration, including any additional sources of
18 income; and

19 (4) Satisfies any other criteria established by the Administration.

20 18-1503.

21 (a) The State Scholarship Administration shall adopt regulations to establish:

22 (1) The maximum starting income for eligibility in the Loan Assistance
23 Repayment Program;

24 (2) The maximum total income for eligibility in the Loan Assistance
25 Repayment Program, including any additional sources of income;

26 (3) That priority for participation in the Program shall be given to an
27 individual who:

28 (i) Graduated from an institution of higher education in the last 3
29 years;

30 (ii) Is a resident of the State;

31 (iii) Is employed on a full-time basis; and

1 (iv) Provides, as the principal part of the individual's employment,
2 legal services to low income residents in the State who cannot afford legal services,
3 nursing services in nursing shortage areas in the State as defined in § 18-802 of this
4 article, or other services in an eligible field of employment in which there is a
5 shortage of qualified practitioners to low income or underserved residents or areas of
6 the State;

7 (4) A limit on the total amount of assistance provided by the State
8 Scholarship Administration in repaying the loan of an eligible individual, based on
9 the individual's total income and outstanding higher education loan balance;

10 (5) A procedure and schedule for the payment of the amount of loan
11 assistance provided by the State Scholarship Administration to the eligible
12 individual; and

13 (6) An annual review of the eligibility of each individual participating in
14 the Program.

15 (b) The State Scholarship Administration shall adopt any other regulations
16 necessary to implement this subtitle.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2001.