

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

HOUSE BILL NO. 1092
(Education Committee)
(At the request of the Bank of North Dakota)

AN ACT to amend and reenact section 6-09-38, subsection 2 of section 6-09-48, subsection 1 of section 15-62.1-02, and section 15-62.1-04 of the North Dakota Century Code, relating to the North Dakota higher education savings plan, the federal student loan program, and the state guarantee loan program; to repeal section 15-62.1-10 of the North Dakota Century Code, relating to eligibility for participation in the federal student loan program; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09-38 of the North Dakota Century Code is amended and reenacted as follows:

6-09-38. North Dakota higher education savings plan - Administration - Rules - Continuing appropriation.

The Bank of North Dakota shall adopt rules to administer, manage, promote, and market a North Dakota higher education savings plan. The Bank shall ensure that the North Dakota higher education savings plan is maintained in compliance with internal revenue service standards for qualified state tuition programs. The Bank, as trustee of the North Dakota higher education savings plan, may impose an annual administrative fee to recover expenses incurred in connection with operation of the plan ~~or for other programs deemed to promote attendance at an institution of higher education, support the functions of the Bank related to the educational mission of the Bank, or defray the expenses of education as defined by section 529 of the Internal Revenue Code of 1986 [26 U.S.C. 529].~~ Administrative fees received by the Bank are appropriated on a continuing basis to be used as provided in this section. Contributions made during the taxable year to a higher education savings plan administered by the Bank, pursuant to the provisions of the plan, are eligible for an income tax deduction as provided in chapter 57-38. Information related to contributions is confidential except as is needed by the tax commissioner for determining compliance with the income tax deduction provided in chapter 57-38.

SECTION 2. AMENDMENT. Subsection 2 of section 6-09-48 of the North Dakota Century Code is amended and reenacted as follows:

2. The funds ~~shall~~must be used to support the functions of the Bank related to higher-~~education~~the educational mission of the Bank.

SECTION 3. AMENDMENT. Subsection 1 of section 15-62.1-02 of the North Dakota Century Code is amended and reenacted as follows:

1. To guarantee all loans ~~which~~that satisfy the requirements set forth in title IV, part B, of the Higher Education Act of 1965 [20 U.S.C. 1001 et seq.; Pub. L. 89-329; 79 Stat. 1236; Pub. L. 99-498; 100 Stat. 1353; Pub. L. 105-244; 112 Stat. 1581], as amended through December 31, 1998, upon terms, conditions, and application procedures commensurate with the federal Higher Education Act of 1965 [20 U.S.C. 1001 et seq.; Pub. L. 89-329; 79 Stat. 1236; Pub. L. 99-498; 100 Stat. 1353; Pub. L. 105-244; 112 Stat. 1581], as amended through December 31, 1998, if federal coinsurance of student loans guaranteed by the agency is available. If at any time the agency determines that student loans made under the terms and conditions of federal coinsurance programs are no longer adequately serving the needs of North Dakota students attending postsecondary institutions, or if federal coinsurance is no longer available, the

agency shall notify the industrial commission or its designee. Upon approval of the industrial commission or its designee, the agency shall guarantee student loans without federal coinsurance pursuant to rules made by the agency relating to terms for applicant eligibility in accordance with the provisions of this chapter. Students whose loans are guaranteed by the agency must be students who have been accepted for enrollment in postsecondary training or are attending eligible postsecondary institutions located within or outside this state, and whose loans are for the purpose of assisting them in meeting their expenses of postsecondary education. Students who are accepted for enrollment or are attending eligible proprietary or postsecondary institutions of higher education are eligible to have loans guaranteed by the agency. The agency shall, by rule, establish minimum qualifications for a person to be deemed a part-time student for purposes of this chapter.

SECTION 4. AMENDMENT. Section 15-62.1-04 of the North Dakota Century Code is amended and reenacted as follows:

15-62.1-04. Repayment of loans.

The agency shall establish rules for the repayment, or deferment of repayment, of loans guaranteed under this chapter which are coinsured by the federal government consistent with the Higher Education Act of 1965, as amended, ~~and. The agency shall also establish~~ adopt rules for the repayment, or deferment of repayment, of loans guaranteed by the agency which are not coinsured by the federal government.

SECTION 5. REPEAL. Section 15-62.1-10 of the North Dakota Century Code is repealed.

SECTION 6. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1092 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 89 Nays 0 Absent 5

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 42 Nays 0 Absent 5

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,
at _____ o'clock _____ M.

Secretary of State