

HOUSE BILL 881

By Maddox

AN ACT to amend Tennessee Code Annotated, Title 49,
relative to student loans for students seeking to
become truck drivers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by
adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) There shall be established a student loan program to assist students seeking
to become truck drivers with the cost of tuition, mandatory institutional fees and books.

The loan program shall be funded from net lottery proceeds.

(b) To be eligible for a Tennessee truck driving student loan, a student shall:

(1) Not be ineligible for the loan under § 49-4-904;

(2) Be classified as an in-state student under the rules of the board of
regents or the University of Tennessee system on the date of application for the
loan;

(3) Be admitted to and enroll in:

(A) An eligible postsecondary institution that offers an educational
program in truck driving; or

(B) A postsecondary institution authorized by THEC to operate in
this state under title 49, chapter 7, part 20, that offers an educational
program in truck driving; and

(4) Sign a promissory note agreeing to repay the loan.

(c) All loans shall be evidenced by notes made payable to the corporation that shall bear no interest or low interest at a rate to be determined by TSAC. Repayment of the loan shall begin six (6) months after completion of the educational program or immediately upon termination of loan, whichever is earlier. The loan shall be terminated by the loan recipient withdrawing from or failing to complete the educational program.

(d) A loan under this section shall not exceed four thousand dollars (\$4,000) or the cost of tuition, mandatory institutional fees and books for the educational program of study in which the recipient is enrolled, whichever is less. The loan shall not cover the fee for a commercial driver license, a fee payable to a third party tester or any other fee not payable to the institution.

(e) TSAC is authorized to promulgate rules and regulations for the management and administration of the program, including the payment of the loans, execution of appropriate contracts and promissory notes, the terms of promissory notes and the rate of interest and terms of repayment, and to otherwise effectuate the purposes of this section. Notwithstanding § 4-5-209, TSAC is authorized to promulgate public necessity rules to implement this section.

(f) There is hereby created in the state treasury a fund to be known as the Tennessee student truck driving revolving fund. Repayments of loans received by TSAC under this section shall be deposited in the fund. Moneys in this fund, upon appropriation by the general assembly, shall be used by TSAC for further loans under this section. Amounts in the fund at the end of any fiscal year shall not revert to the lottery for education account, but shall remain available in the fund for the purposes set forth in this section. Upon discontinuance of this program, all moneys remaining in the fund shall be returned to the lottery for education account.

(g) Loans made under this section shall commence before fall semester 2009.

SECTION 2. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.