

Senate Bill 465

By: Senators Thompson of the 33rd, Tanksley of the 32nd and Stokes of the 43rd

AS PASSED

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia
2 Annotated, relating to the Georgia Student Finance Authority, so as to authorize the Georgia
3 Student Finance Authority to establish and administer education loan forgiveness programs
4 for attorneys working in the area of public interest; to provide for legislative findings; to
5 establish a nonprofit corporation to administer the fund for the programs; to provide an
6 additional purpose; to provide for related matters; to repeal conflicting laws; and for other
7 purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
11 relating to the Georgia Student Finance Authority, is amended by adding immediately after
12 Subpart 3 a new Subpart 3A to read as follows:

13 "Subpart 3A

14 20-3-380.

15 The General Assembly finds that many attorneys graduate from law school with substantial
16 education debt; that the debt that saddles law school graduates prohibits many from
17 considering public interest work; that Georgia law firms, on average, pay first year
18 associates more than twice the entry level salary for public interest work; that a need exists
19 for public interest entities to hire competent attorneys; that the public is better served by
20 competent and qualified attorneys working in the area of public interest; and that programs
21 providing for education loan forgiveness to encourage law students and other attorneys to
22 seek employment in the area of public interest would better enable public interest entities
23 to attract and retain experienced and qualified attorneys.

20-3-381.

As used in this subpart, the term:

(1) 'Assistant district attorney' means an attorney employed full time as an assistant district attorney.

(2) 'Assistant solicitor-general' or 'assistant solicitor' means an attorney employed full time as an assistant solicitor-general, assistant city solicitor, or assistant municipal court solicitor.

(3) 'Civil legal aid attorney' means an attorney employed full time as an attorney in a tax-exempt legal aid nonprofit corporation dedicated to providing free or reduced cost legal services to low-income clients in civil cases.

(4) 'Civil legal aid organization' means a tax-exempt legal aid nonprofit corporation dedicated to providing free or reduced cost legal services to low-income clients in civil cases.

(5) 'Education loan' means any obligation of an attorney to repay a debt created by the advances of money to the attorney by an institutional or governmental lender that financed, in whole or in part, the debt incurred by the attorney to obtain the undergraduate degree necessary to enter law school, the debt incurred to obtain a Juris Doctor degree or the equivalent, or both.

(6) 'Fund' means the Public Interest Lawyers' Fund created by Code Section 20-3-383.

(7) 'Maximum amount authorized' means \$600.00 per month or an amount authorized by subsection (b) or (c) of Code Section 20-3-387.

(8) 'Office of Legislative Counsel attorney' means an attorney employed full time by the Office of Legislative Counsel.

(9) 'Public defender' means an attorney employed full time in a city, county, state, or university affiliated public defender office or a criminal defense organization dedicated exclusively to providing indigent defense services as a tax-exempt nonprofit corporation.

(10) 'Public defender organization' means a city, county, state, or university affiliated public defender office or a criminal defense organization dedicated exclusively to providing indigent defense services as a tax-exempt nonprofit corporation.

(11) 'State Law Department attorney' means an attorney employed full time by the State Law Department.

20-3-382.

The authority is authorized to establish and administer loan forgiveness programs for education loans to encourage law students and other attorneys to choose careers in the area of public interest. The authority is authorized to prescribe all rules, regulations, policies,

1 and procedures necessary or convenient for the administration of these programs and all
2 terms and conditions applicable to payments made under this subpart.

3 20-3-383.

4 (a) There is created the Public Interest Lawyers' Fund.

5 (b) The authority shall maintain the fund to which shall be credited:

6 (1) State funds appropriated for use by the authority for education loan forgiveness
7 purposes; and

8 (2) Unrestricted moneys received by gift or otherwise and other moneys available for and
9 determined by the authority to be used for the purposes of this subpart.

10 The authority is authorized to use moneys available in the fund to make payments to assist
11 in repaying education loans for eligible attorneys in accordance with its rules and
12 regulations.

13 (c) Any private donations made by gift or otherwise to the fund may not be designated as
14 to the specific program for which they will be used.

15 20-3-384.

16 (a) The authority is authorized to establish a corporation to administer the fund. Any
17 subsidiary corporation created pursuant to this subsection shall be created pursuant to
18 Chapter 3 of Title 14, the 'Georgia Nonprofit Corporation Code,' and the Secretary of State
19 shall be authorized to accept any such filing. Upon dissolution of any subsidiary
20 corporation of the authority created pursuant to this subsection, any assets shall revert to
21 the authority or to any successor to the authority or, failing such succession, to the State of
22 Georgia. The authority shall not be liable for the debts or obligations or bonds of any
23 subsidiary corporation or for the actions or omissions to act of any subsidiary corporation
24 unless the authority expressly so consents.

25 (b) Any corporation established pursuant to subsection (a) of this Code section, through
26 the authority, is authorized to enter into contracts with civil legal aid organizations or the
27 employees of such organizations and public defender organizations or the employees of
28 such organizations for the purpose of providing education loan forgiveness in consideration
29 of such organizations' contributions and commitment to providing legal services to
30 low-income civil clients or indigent criminal defendants of this state.

31 (c) In order for attorneys employed by civil legal aid organizations and public defender
32 organizations to participate, such organizations must contract with the authority and
33 promise to provide the civil legal aid services or public defender services for the period of
34 time for which an assisted employee is obligated or some other period determined by the
35 authority.

1 20-3-385.

2 (a) The fund shall be used by the authority to assist in the repayment of any education loan
3 owed by an individual who is:

4 (1) An assistant district attorney, an assistant solicitor-general, or an assistant solicitor;

5 (2) A civil legal aid attorney;

6 (3) A public defender; or

7 (4) An Office of Legislative Counsel attorney or a State Law Department attorney.

8 (b) The authority shall establish four separate programs to assist each of the four categories
9 of recipients identified in subsection (a) of this Code section and shall account separately
10 for the funding of each program. Any state appropriation of funds shall separately identify
11 the amount of funds appropriated for each program. Private donations and any other funds
12 available for such programs shall be allocated between such programs by the authority.

13 20-3-386.

14 (a) Beginning the seventh month that an attorney is employed in one of the positions listed
15 in Code Section 20-3-385, the authority may distribute education loan repayment assistance
16 for the attorney in an amount not to exceed \$600.00 per month or the attorney's monthly
17 debt service at the time the initial payments on the loan commenced, whichever is smaller
18 except as otherwise provided in Code Section 20-3-387. The attorney may also elect to
19 receive an amount less than the maximum amount authorized and less than the attorney's
20 monthly debt service.

21 (b) As a condition of receipt of the loan forgiveness provided for in subsection (a) of this
22 Code section, the attorney shall enter into a contract with the authority providing that the
23 attorney will remain employed in one of the capacities specified in subsection (a) of Code
24 Section 20-3-385 for one month after receipt of the attorney's last monthly installment of
25 such assistance for each month for which such assistance was received up to a maximum
26 of 18 months. If the attorney receives the maximum amount authorized, the attorney shall
27 remain employed in such capacity for 18 months after receipt of the last monthly
28 installment. If the attorney receives a lesser amount of education loan repayment
29 assistance than the maximum amount authorized, the employment commitment shall be
30 decreased proportionately, as determined by the authority; provided, however, the authority
31 may release the attorney from such obligation if it is demonstrated to the satisfaction of the
32 authority that such attorney is unable to obtain employment in said specified capacities.

33 (c) In the event that the attorney breaches the conditions of the contract with the authority,
34 all moneys distributed by the authority under the contract during the 18 months

1 immediately preceding the month in which the breach occurs shall at once become due and
2 payable to the authority in cash with interest at a rate to be set by the authority.

3 (d) The authority shall attempt to operate in such a manner as to qualify for the tax benefits
4 provided in 26 U. S. C. A. Section 108.

5 (e) Nothing in this subpart shall preclude the obligations of the attorney to repay his or her
6 student loan by cash or by service.

7 20-3-387.

8 (a) No entitlement to funds is created by this subpart. Eligibility for education loan
9 forgiveness shall be dependent on funding through appropriations, as well as all other
10 conditions of eligibility, as determined by the authority.

11 (b) In the event funds available to the authority for any of the programs listed in Code
12 Section 20-3-385 are not sufficient for the full education loan forgiveness prescribed by the
13 General Assembly, education loan forgiveness payable on behalf of the individuals in that
14 program shall be reduced by the authority on a pro rata basis.

15 (c) In the event sufficient funds are available to the authority, the authority is authorized
16 to increase the amount of the education loan forgiveness available to individuals in the
17 programs listed in Code Section 20-3-385."

18 SECTION 2.

19 Said part is further amended by striking in its entirety subsection (b) of Code Section
20 20-3-311, relating to legislative findings and purpose of the Georgia Student Finance
21 Authority, and inserting in its place the following:

22 "(b) The ~~purpose~~ purposes of the authority shall be to improve higher educational
23 opportunities by providing educational scholarship, grant, and loan assistance and to further
24 other public purposes by loan forgiveness programs in specified circumstances, all as
25 prescribed and as provided for in this part."

26 SECTION 3.

27 All laws and parts of laws in conflict with this Act are repealed.