

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 357

By: Holt

6 AS INTRODUCED

7 An Act relating to student loan default; amending 70
8 O.S. 2011, Section 623.1, which relates to suspension
9 of licensees in default; allowing rather than
10 requiring licensing boards to suspend or not renew
11 the license of certain licensees; directing licensing
12 boards to consider certain extenuating circumstances;
13 updating statutory reference; providing an effective
14 date; and declaring an emergency.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 70 O.S. 2011, Section 623.1, is
15 amended to read as follows:

16 Section 623.1. A. For licensees determined to be in default,
17 pursuant to the applicable federal regulation, the Oklahoma State
18 Regents for Higher Education shall prescribe rules and procedures to
19 provide an opportunity for the licensee to enter into a satisfactory
20 repayment agreement and an opportunity for a hearing prior to
21 notification of a licensing board. At least thirty (30) days prior
22 to notification of the appropriate licensing board, the State
23 Regents shall mail to the licensee's last-known address, a written
24 notice of:

1 1. The nature and amount of the debt;

2 2. The intention of the State Regents to issue notification of
3 default to the appropriate licensing board or boards; and

4 3. The explanation of the licensee's rights.

5 B. Following the determination of default, as defined by
6 federal law, the licensee shall be provided the opportunity of a
7 hearing conducted by a hearing official appointed by the State
8 Regents. The hearing official may be any qualified individual,
9 including an administrative law judge, not under the direct
10 supervision or control of the State Regents. Upon written request
11 by the licensee, the decision of the hearing official may be
12 appealed to the State Regents. The State Regents may notify each
13 licensing board in this state of any person who has been determined
14 to be in default on a student loan; provided, the State Regents may
15 consider hardship circumstances in their decision whether to proceed
16 with notification. Except as otherwise provided in this section,
17 upon receipt of the notice, the licensing boards ~~shall~~ may suspend
18 ~~and or~~ not renew the license of the licensee until further
19 notification by the State Regents. In making its decision, a
20 licensing board shall take into consideration extenuating
21 circumstances including but not limited to loss of employment,
22 disability or health issue, extraordinary medical expenses and
23 financial hardship due to a natural disaster.
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1 C. Except as otherwise provided in this section, no further
2 administrative review or contested case proceeding within or by the
3 licensing board is required upon notification of the State Regent's
4 determination of default. No licensing board shall be held liable
5 for any suspension or nonrenewal of a license or commercial driver
6 license pursuant to the provisions of ~~this act~~ Section 622 et seq.
7 of this title.

8 D. The State Regents shall notify, as soon as possible and no
9 later than ten (10) business days, each licensing board when a
10 formerly reported licensee is no longer in default status due to
11 repayment in full, loan rehabilitation or some other action that
12 discharges the licensee of responsibility for repayment or when the
13 licensee achieves satisfactory repayment status. Except as
14 otherwise provided in this section, the issuing licensing board
15 shall reinstate or renew the license of the licensee within thirty
16 (30) days of receiving notice from the State Regents, contingent
17 upon the requirements of the licensing board.

18 E. If the Oklahoma Bar Association receives notice that a
19 licensed attorney is in default, the Bar Association must begin
20 proceedings by which the attorney may be suspended pursuant to Rules
21 Governing Disciplinary Proceedings. If suspended, the attorney may
22 be reinstated pursuant to reinstatement procedures as provided in
23 the Rules Governing Disciplinary Proceedings.

24 F. For purposes of this act:

1 1. "Licensing board" means any bureau, department, division,
2 board, agency or commission of this state or of a municipality in
3 this state that issues a license;

4 2. "License" means a license, certificate, registration,
5 permit, approval or other similar document issued by a licensing
6 board granting to an individual a right or privilege to engage in a
7 profession, occupation or business, including Class A, B or C
8 commercial driver licenses issued pursuant to Title 47 of the
9 Oklahoma Statutes; and

10 3. "Licensee" means any individual who is issued a license by
11 any licensing board in this state.

12 SECTION 2. This act shall become effective July 1, 2017.

13 SECTION 3. It being immediately necessary for the preservation
14 of the public peace, health or safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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