# A BILL FOR AN ACT

RELATING TO ACCESS TO JUSTICE.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. This Act shall be known as the Hawai'i Justice
- 2 League Act of 2020.
- 3 SECTION 2. The legislature finds that many attorneys
- 4 graduate from law school with substantial educational debt that
- 5 prohibits many graduates from considering the practice of law in
- 6 less-populated rural areas of Hawai'i. A need exists for rural
- 7 clients to hire competent attorneys and the public is better
- 8 served by qualified attorneys serving those living in
- 9 underserved rural areas.
- 10 The legislature further finds that few new lawyers are able
- 11 to practice public interest law in underserved rural areas
- 12 because of the high cost of attending law school, the debt that
- 13 law school students graduate with, and the high cost of living
- 14 in Hawai'i. The increasingly high cost of attending law school
- 15 requires lawyers to seek out higher-paying jobs in areas more
- 16 heavily populated that allow for repayment of student loans.

- 1 The legislature also finds that loan repayment assistance
- 2 programs have been successfully used in Hawai'i to increase the
- 3 number of educators serving in hard-to-fill teaching positions,
- 4 and the legislature believes that loan repayment assistance
- 5 programs can also be used to encourage and enable lawyers to
- 6 pursue the practice of law in underserved rural areas within the
- 7 State of Hawai'i.
- 8 The legislature additionally finds that programs providing
- 9 educational loan repayment assistance will encourage law
- 10 students and other attorneys to seek employment in rural Hawai'i
- 11 and will enable rural communities to attract and retain
- 12 qualified attorneys.
- 13 The purpose of this Act is to establish the Hawai'i justice
- 14 league program in the University of Hawai'i William S. Richardson
- 15 School of Law to provide partial student loan repayment
- 16 assistance for lawyers who agree to pursue the practice of law
- 17 in underserved rural areas in Hawai'i.
- 18 SECTION 3. The Hawaii Revised Statutes is amended by
- 19 adding a new chapter to be appropriately designated and to read
- 20 as follows:

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## H.B. NO. 2656 H.D. 1

2	HAWAII JUSTICE LEAGUE PROGRAM
3	§ -1 Definitions. As used in this chapter, unless the
4	context requires otherwise:
5	"Lawyer" means a person admitted to practice law as
6	required by the rules of the supreme court of Hawaii.
7	"Loan repayment" means the payment, per year, of up to
8	twenty per cent of a Hawaii justice league program participant's
9	legal training costs, including the cost of in-state tuition at
10	the William S. Richardson School of Law, not exceeding \$35,000
11	per year, for a maximum of five years.
12	"Participant" means a lawyer who is receiving loan
13	repayment assistance through the Hawaii justice league program.
14	"Rural area" means all population, housing, and territory
15	not included within an urban area as defined by the United
16	States Department of Commerce, Census Bureau.
17	"Urban area" is as defined by the United States Department
18	of Commerce, Census Bureau.
19	§ -2 Hawaii justice league program; loan repayment
20	assistance; established. (a) The Hawaii justice league program
21	is established to encourage lawyers to pursue public interest

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- 1 work in Hawaii. The program shall be administered by the
- 2 University of Hawaii William S. Richardson School of Law.
- 3 administering the program, the University of Hawaii William S.
- 4 Richardson School of Law shall:
- 5 (1)Adopt rules and develop guidelines to administer the 6 program;
- 7 (2) Identify and designate rural areas of the State as 8 defined by the United States Department of Commerce, 9 Census Bureau;
- **10** (3) Establish criteria and a certification process for what constitutes eligible legal service work in 12 underserved rural areas in the State;
  - (4)Establish criteria for the selection of lawyers to participate in the program;
- Beginning on July 1, 2021, and no later than July 1 in 15 (5) each year thereafter, increase the per annum maximum 16 **17** loan repayment amount for a cost-of-living adjustment. 18 The University of Hawaii William S. Richardson School 19 of Law shall use \$35,000 the first year, multiplied by 20 the United States Department of Labor Consumer Price 21 Index for All Urban Consumers (CPI-U) for the previous

1		year to determine the adjusted per annum maximum loan
2		repayment amount for the next year. Each year
3		thereafter the new adjusted per annum maximum loan
4		repayment amount shall be used to determine the per
5		annum maximum loan repayment amount for the following
6		year;
7	(6)	Publish the adjusted per annum maximum loan repayment
8	·	amount annually on the University of Hawaii William S
9		Richardson School of Law website;
10	(7)	Define and determine compliance with the service
11		commitments of the program;
12	(8)	Collect and manage reimbursements from participants
13		who do not meet their service commitments under the
14		program;
15	(9)	Publicize the program, particularly to maximize
16		participation by individuals who live in rural areas
17		of the State; and
18	(10)	Solicit and accept grants and donations from public
19		and private sources for the program, including
20		maximizing the use of federal matching funds.

- 1 (b) The Hawaii justice league program shall partner with a
- 2 lending financial institution whose operations are principally
- 3 conducted in Hawaii to provide loan repayment assistance to
- 4 lawyers who make the service commitment under subsection (c).
- 5 The University of Hawaii William S. Richardson School of Law
- 6 shall make loan repayments directly to the financial institution
- 7 under this subsection to offset the loan repayment for which the
- 8 Hawaii justice league program participant would otherwise be
- 9 liable.
- 10 (c) The Hawaii justice league program shall provide loan
- 11 repayments on behalf of a lawyer who agrees to serve for at
- 12 least five consecutive years as a lawyer practicing law in rural
- 13 areas in Hawaii; provided that eligible lawyers, as applicable,
- 14 shall have graduated from an accredited law school within the
- 15 United States; provided further that preference shall be given
- 16 to graduates of the University of Hawaii William S. Richardson
- 17 School of Law as applicable.
- (d) Eligibility to participate in the program shall be
- 19 determined by the University of Hawaii William S. Richardson
- 20 School of Law on a competitive basis and in accordance with
- 21 subsection (c).

1 (e) If a Hawaii justice league program participant fails 2 to satisfy the participant's service commitment under subsection 3 (c), the Hawaii justice league program participant shall be liable for the repayment of the outstanding balance of the loan 4 5 to the lending financial institution under subsection (b). 6 University of Hawaii William S. Richardson School of Law may 7 seek reimbursement for any loan repayment made by the university 8 on behalf of the Hawaii justice league program participant. 9 In accordance with chapter 103D, the University of 10 Hawaii William S. Richardson School of Law may enter into 11 written contracts with collection agencies to collect delinguent 12 reimbursements of loan repayments. All payments collected, 13 exclusive of a collection agency's commissions, shall revert and 14 be credited to the Hawaii justice league revolving fund. A 15 collection agency that enters into a written contract with the University of Hawaii William S. Richardson School of Law to 16 17 collect delinquent reimbursements of loan repayments pursuant to 18 this section may collect a commission from the participant in 19 accordance with the terms of, and up to the amounts authorized 20 in, the written contract.

1	§	-3 Hawaii justice league revolving fund. (a) There
2	is establ	ished the Hawaii justice league revolving fund, which
3	shall be	administered by the University of Hawaii William S.
4	Richardso	n School of Law, and into which shall be deposited:
5	(1)	Any funds appropriated by the legislature for the
6		Hawaii justice league program;
7	(2)	Gifts, donations, and grants from public agencies and
8		private persons;
9	(3)	Reimbursements of loan repayments under the Hawaii
10		justice league program;
11	(4)	Proceeds of the operations of the Hawaii justice
12		league program; and
13	(5)	Interest earned or accrued on moneys deposited into
14		the fund.
15	(b)	The University of Hawaii William S. Richardson School
16	of Law ma	y expend moneys from the fund for the purposes of this
17	chapter,	including the operational expenses of the Hawaii
18	justice ]	eague program.

§ -4 Rules. The University of Hawaii William S.

Richardson School of Law shall adopt rules to administer this

chapter. The rules shall be adopted pursuant to chapter 91."

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- 1 SECTION 4. The University of Hawaii William S. Richardson
- 2 School of Law shall implement the Hawaii justice league program
- 3 no later than June 30, 2021. The dean of the University of
- 4 Hawaii William S. Richardson School of Law shall report to the
- 5 legislature on the status of the Hawaii justice league program,
- 6 including the most recently adjusted per annum maximum repayment
- 7 amount, no later than twenty days prior to the convening of each
- 8 regular session beginning with the regular session of 2022.
- 9 SECTION 5. There is appropriated out of the general
- 10 revenues of the State of Hawaii the sum of \$ or so
- 11 much thereof as may be necessary for fiscal year 2020-2021 for
- 12 deposit into the Hawaii justice league revolving fund.
- 13 SECTION 6. There is appropriated out of the general
- 14 revenues of the State of Hawaii the sum of \$ or so
- 15 much thereof as may be necessary for fiscal year 2020-2021 for
- 16 the purposes of establishing and administering the Hawaii
- 17 justice league program.
- 18 The sum appropriated shall be expended by the University of
- 19 Hawaii for the purposes of this Act.
- 20 SECTION 7. This Act shall take effect on July 1, 2050.

#### Report Title:

Hawaii Justice League; Loan Repayment; Public Interest; Access to Justice; Appropriation

#### Description:

Establishes the Hawaii justice league program to provide partial loan repayments on behalf of eligible lawyers that pursue public interest work in Hawaii. Provides for loan repayments by the University of Hawaii William S. Richardson School of Law. Establishes the Hawaii justice league revolving fund. Makes an appropriation. Takes effect 7/1/2050. (HD1)

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