

By: Brown of Kaufman, Anderson, Aycock,
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H.B. No. 1684

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation and administration of the rural
3 veterinarian loan repayment program.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter A, Chapter 487, Government Code, is
6 amended by adding Section 487.003 to read as follows:

7 Sec. 487.003. REFERENCES. In this chapter and Chapter 487A,
8 a reference to "this chapter" means Chapters 487 and 487A.

9 SECTION 2. Section 487.558(b), Government Code, is amended
10 to read as follows:

11 (b) The fund is composed of:

12 (1) money transferred to the fund at the direction of
13 the legislature;

14 (2) gifts and grants contributed to the fund;

15 (3) the returns received from investment of money in
16 the fund; ~~and~~

17 (4) amounts recovered under Section 487.555(e); and

18 (5) amounts recovered under Section 487A.055(c).

19 SECTION 3. Section 487.559(f), Government Code, is amended
20 to read as follows:

21 (f) The amount available for distribution from the fund,
22 including any gift or grant, may be appropriated only for providing
23 stipends and loan reimbursement under the programs authorized by
24 this subchapter, for providing loan repayment assistance under

1 Subchapter A, Chapter 487A, and to pay the expenses of managing the
2 fund. Of the amount available for distribution from the fund not
3 used to pay the expenses of managing the fund, one-half shall be
4 appropriated for programs authorized by this subchapter and
5 one-half shall be appropriated for providing loan repayment
6 assistance under Subchapter A, Chapter 487A. The expenditure of a
7 gift or grant is subject to any limitation or requirement placed on
8 the gift or grant by the donor or granting entity.

9 SECTION 4. Subtitle F, Title 4, Government Code, is amended
10 by adding Chapter 487A to read as follows:

11 CHAPTER 487A. ADDITIONAL PROGRAMS ADMINISTERED BY OFFICE OF RURAL

12 COMMUNITY AFFAIRS

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 487A.001. DEFINITIONS. The definitions in Chapter 487
15 apply to this chapter.

16 [Sections 487A.002-487A.050 reserved for expansion]

17 SUBCHAPTER B. RURAL VETERINARIAN LOAN REPAYMENT PROGRAM

18 Sec. 487A.051. DEFINITION. In this subchapter, "designated
19 rural area" means a rural geographic area in this state that the
20 board by rule designates as rural for purposes of the loan repayment
21 program under this subchapter.

22 Sec. 487A.052. LOAN REPAYMENT PROGRAM. (a) In accordance
23 with this subchapter and rules adopted by the board, the office
24 shall establish and administer a program to provide loan repayment
25 assistance to veterinarians who agree to practice veterinary
26 medicine on livestock or deer in a designated rural area.

27 (b) The board may provide repayment assistance to a

1 veterinarian for up to four years. The board shall determine the
2 amount of repayment assistance to provide each year.

3 Sec. 487A.053. ELIGIBILITY. To be eligible to receive loan
4 repayment assistance under this subchapter, a veterinarian must:

5 (1) apply to the office;

6 (2) be licensed to practice veterinary medicine in
7 this state; and

8 (3) enter into an agreement with the office as
9 provided by Section 487A.055.

10 Sec. 487A.054. ELIGIBLE LOANS. (a) The office may provide
11 repayment assistance for the repayment of any education loan
12 received by the veterinarian through any lender for education at
13 any veterinary school that awards a degree that satisfies the
14 veterinary study requirements to obtain a license to practice
15 veterinary medicine in this state.

16 (b) The office may not provide repayment assistance for an
17 education loan that is in default at the time of the veterinarian's
18 application.

19 Sec. 487A.055. AGREEMENT REQUIREMENTS. (a) To qualify for
20 loan repayment assistance under this subchapter, a person must
21 enter into a written agreement with the office as provided by this
22 section. The agreement must:

23 (1) specify the conditions the person must satisfy to
24 receive repayment assistance;

25 (2) require the person to practice veterinary medicine
26 on livestock or deer for one full year in a designated rural area
27 for each year the person receives loan repayment assistance under

1 this subchapter;

2 (3) provide that any repayment assistance the person
3 receives under this subchapter constitutes a loan until the person
4 completes the year of practice and satisfies other applicable
5 conditions of the agreement; and

6 (4) require the person to sign a promissory note
7 acknowledging the conditional nature of the repayment assistance
8 received and promising to repay the amount of that assistance plus
9 applicable interest and reasonable collection costs if the person
10 does not satisfy the applicable conditions.

11 (b) The office shall determine the terms of the promissory
12 note required by Subsection (a)(4). To the extent practicable, the
13 terms must be the same as those applicable to state or federally
14 guaranteed student loans made at the same time.

15 (c) Amounts recovered under a promissory note required by
16 Subsection (a)(4) shall be deposited in the permanent endowment
17 fund for the rural communities health care investment program under
18 Section 487.558.

19 Sec. 487A.056. REPAYMENT. (a) The office shall deliver
20 any repayment assistance made under this subchapter in a lump sum
21 payable to the lender and the veterinarian and in accordance with
22 any applicable federal law.

23 (b) Loan repayment assistance received under this
24 subchapter may be applied to the principal amount of the loan and to
25 interest that accrues.

26 Sec. 487A.057. GRANTS, GIFTS, AND DONATIONS. (a) In
27 addition to funds appropriated by the legislature, the office may

1 solicit and accept grants, gifts, and donations from any public or
2 private source for the purposes of this subchapter.

3 (b) Gifts and grants received under this section shall be
4 deposited in the permanent endowment fund for the rural communities
5 health care investment program under Section 487.558.

6 Sec. 487A.058. RULES. (a) The board shall adopt rules
7 necessary to administer this subchapter.

8 (b) The office shall distribute to each veterinary school in
9 this state a copy of the rules adopted under this section.

10 SECTION 5. The board of the Office of Rural Community
11 Affairs shall adopt rules for the rural veterinarian loan repayment
12 program under Subchapter B, Chapter 487A, Government Code, as added
13 by this Act, not later than December 31, 2009.

14 SECTION 6. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2009.