

1-1 By: Estes S.B. No. 1667  
1-2 (In the Senate - Filed March 10, 2009; March 20, 2009, read  
1-3 first time and referred to Committee on Agriculture and Rural  
1-4 Affairs; April 20, 2009, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;  
1-6 April 20, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1667 By: Hegar

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation and administration of the rural  
1-11 veterinarian loan repayment program.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter A, Chapter 487, Government Code, is  
1-14 amended by adding Section 487.003 to read as follows:

1-15 Sec. 487.003. REFERENCES. In this chapter and Chapter  
1-16 487A, a reference to "this chapter" means Chapters 487 and 487A.

1-17 SECTION 2. Subsection (b), Section 487.558, Government  
1-18 Code, is amended to read as follows:

1-19 (b) The fund is composed of:

1-20 (1) money transferred to the fund at the direction of  
1-21 the legislature;

1-22 (2) gifts and grants contributed to the fund;

1-23 (3) the returns received from investment of money in  
1-24 the fund; ~~and~~

1-25 (4) amounts recovered under Section 487.555(e); and

1-26 (5) amounts recovered under Section 487A.055(c).

1-27 SECTION 3. Subsection (f), Section 487.559, Government  
1-28 Code, is amended to read as follows:

1-29 (f) The amount available for distribution from the fund,  
1-30 including any gift or grant, may be appropriated only for providing  
1-31 stipends and loan reimbursement under the programs authorized by  
1-32 this subchapter, for providing loan repayment assistance under  
1-33 Subchapter A, Chapter 487A, and to pay the expenses of managing the  
1-34 fund. Of the amount available for distribution from the fund not  
1-35 used to pay the expenses of managing the fund, one-half shall be  
1-36 appropriated for programs authorized by this subchapter and  
1-37 one-half shall be appropriated for providing loan repayment  
1-38 assistance under Subchapter A, Chapter 487A. The expenditure of  
1-39 a gift or grant is subject to any limitation or requirement placed  
1-40 on the gift or grant by the donor or granting entity.

1-41 SECTION 4. Subtitle F, Title 4, Government Code, is amended  
1-42 by adding Chapter 487A to read as follows:

1-43 CHAPTER 487A. ADDITIONAL PROGRAMS ADMINISTERED BY OFFICE OF RURAL  
1-44 COMMUNITY AFFAIRS

1-45 SUBCHAPTER A. GENERAL PROVISIONS

1-46 Sec. 487A.001. DEFINITIONS. The definitions in Chapter 487  
1-47 apply to this chapter.

1-48 [Sections 487A.002-487A.050 reserved for expansion]

1-49 SUBCHAPTER B. RURAL VETERINARIAN LOAN REPAYMENT PROGRAM

1-50 Sec. 487A.051. DEFINITION. In this subchapter, "designated  
1-51 rural area" means a rural geographic area in this state that the  
1-52 board by rule designates as rural for purposes of the loan repayment  
1-53 program under this subchapter.

1-54 Sec. 487A.052. LOAN REPAYMENT PROGRAM. (a) In accordance  
1-55 with this subchapter and rules adopted by the board, the office  
1-56 shall establish and administer a program to provide loan repayment  
1-57 assistance to veterinarians who agree to practice veterinary  
1-58 medicine on livestock or deer in a designated rural area.

1-59 (b) The board may provide repayment assistance to a  
1-60 veterinarian for up to four years. The board shall determine the  
1-61 amount of repayment assistance to provide each year.

1-62 Sec. 487A.053. ELIGIBILITY. To be eligible to receive loan  
1-63 repayment assistance under this subchapter, a veterinarian must:

1-64 (1) apply to the office;

1-65 (2) be licensed to practice veterinary medicine in

2-1 this state; and  
2-2 (3) enter into an agreement with the office as  
2-3 provided by Section 487A.055.

2-4 Sec. 487A.054. ELIGIBLE LOANS. (a) The office may provide  
2-5 repayment assistance for the repayment of any education loan  
2-6 received by the veterinarian through any lender for education at  
2-7 any veterinary school that awards a degree that satisfies the  
2-8 veterinary study requirements to obtain a license to practice  
2-9 veterinary medicine in this state.

2-10 (b) The office may not provide repayment assistance for an  
2-11 education loan that is in default at the time of the veterinarian's  
2-12 application.

2-13 Sec. 487A.055. AGREEMENT REQUIREMENTS. (a) To qualify for  
2-14 loan repayment assistance under this subchapter, a person must  
2-15 enter into a written agreement with the office as provided by this  
2-16 section. The agreement must:

2-17 (1) specify the conditions the person must satisfy to  
2-18 receive repayment assistance;

2-19 (2) require the person to practice veterinary medicine  
2-20 on livestock or deer for one full year in a designated rural area  
2-21 for each year the person receives loan repayment assistance under  
2-22 this subchapter;

2-23 (3) provide that any repayment assistance the person  
2-24 receives under this subchapter constitutes a loan until the person  
2-25 completes the year of practice and satisfies other applicable  
2-26 conditions of the agreement; and

2-27 (4) require the person to sign a promissory note  
2-28 acknowledging the conditional nature of the repayment assistance  
2-29 received and promising to repay the amount of that assistance plus  
2-30 applicable interest and reasonable collection costs if the person  
2-31 does not satisfy the applicable conditions.

2-32 (b) The office shall determine the terms of the promissory  
2-33 note required by Subsection (a)(4). To the extent practicable, the  
2-34 terms must be the same as those applicable to state or federally  
2-35 guaranteed student loans made at the same time.

2-36 (c) Amounts recovered under a promissory note required by  
2-37 Subsection (a)(4) shall be deposited in the permanent endowment  
2-38 fund for the rural communities health care investment program under  
2-39 Section 487.558.

2-40 Sec. 487A.056. REPAYMENT. (a) The office shall deliver  
2-41 any repayment assistance made under this subchapter in a lump sum  
2-42 payable to the lender and the veterinarian and in accordance with  
2-43 any applicable federal law.

2-44 (b) Loan repayment assistance received under this  
2-45 subchapter may be applied to the principal amount of the loan and to  
2-46 interest that accrues.

2-47 Sec. 487A.057. GRANTS, GIFTS, AND DONATIONS. (a) In  
2-48 addition to funds appropriated by the legislature, the office may  
2-49 solicit and accept grants, gifts, and donations from any public or  
2-50 private source for the purposes of this subchapter.

2-51 (b) Gifts and grants received under this section shall be  
2-52 deposited in the permanent endowment fund for the rural communities  
2-53 health care investment program under Section 487.558.

2-54 Sec. 487A.058. RULES. (a) The board shall adopt rules  
2-55 necessary to administer this subchapter.

2-56 (b) The office shall distribute to each veterinary school in  
2-57 this state a copy of the rules adopted under this section.

2-58 SECTION 5. The board of the Office of Rural Community  
2-59 Affairs shall adopt rules for the rural veterinarian loan repayment  
2-60 program under Subchapter B, Chapter 487A, Government Code, as added  
2-61 by this Act, not later than December 31, 2009.

2-62 SECTION 6. This Act takes effect immediately if it receives  
2-63 a vote of two-thirds of all the members elected to each house, as  
2-64 provided by Section 39, Article III, Texas Constitution. If this  
2-65 Act does not receive the vote necessary for immediate effect, this  
2-66 Act takes effect September 1, 2009.

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