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HOUSE FILE NO. 1447

FIRST COMMITTEE ENGROSSMENT

March 9, 2009

Authored by Otremba, Koenen, Slocum and Shimanski

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs

March 25, 2009

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

Referred by Chair to Agriculture, Rural Economies and Veterans Affairs Finance Division.

April 1, 2009

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to higher education; establishing a veterinarian education loan
1.3 forgiveness program; appropriating money; proposing coding for new law in
1.4 Minnesota Statutes, chapter 136A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[136A.1795] LARGE ANIMAL VETERINARIAN LOAN**
1.7 **FORGIVENESS PROGRAM.**

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
1.9 have the meanings given.

1.10 (b) "Veterinarian" means an individual who has been awarded a doctor of veterinary
1.11 medicine degree from the College of Veterinary Medicine, University of Minnesota.

1.12 (c) "Designated rural area" means an area in Minnesota outside the counties of
1.13 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of
1.14 Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

1.15 (d) "Emergency circumstances" means those conditions that make it impossible for
1.16 the participant to fulfill the service commitment, including death, total and permanent
1.17 disability, or temporary disability lasting more than two years.

1.18 (e) "Qualified educational loan" means a government, commercial, or foundation
1.19 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living
1.20 expenses related to the education of a veterinarian.

1.21 Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office
1.22 of Higher Education shall establish and administer a loan forgiveness program for large
1.23 animal veterinarians who:

1.24 (1) agree to practice in designated rural areas that are considered underserved; and

2.1 (2) work full time in a practice that is at least 50 percent involved with the care of
2.2 food animals.

2.3 (b) Appropriations made to the program do not cancel and are available until
2.4 expended.

2.5 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program,
2.6 an individual must:

2.7 (1) be a veterinarian who has been awarded a veterinary medicine degree within
2.8 three years of submitting an application under this section, or be enrolled in the
2.9 veterinarian degree program and making satisfactory progress in the College of Veterinary
2.10 Medicine, University of Minnesota; and

2.11 (2) submit an application to the director of the Minnesota Office of Higher Education
2.12 in the form and manner prescribed by the director.

2.13 (b) An applicant selected to participate must sign a contract agreeing to complete a
2.14 five-year service obligation to practice as required under subdivision 2, paragraph (a).

2.15 Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher
2.16 Education may select a maximum of five applicants each year for participation in the loan
2.17 forgiveness program, within the limits of available funding. Applicants are responsible for
2.18 securing their own qualified educational loans.

2.19 (b) The director must select participants based on their suitability for practice serving
2.20 the designated rural area, as indicated by experience or training. The director must give
2.21 preference to applicants closest to completing their training.

2.22 (c) The director must make annual disbursements directly to the participant of
2.23 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
2.24 for each year that a participant meets the service obligation required under subdivision 3,
2.25 paragraph (b), up to a maximum of five years.

2.26 (d) Before receiving loan repayment disbursements and as requested, the participant
2.27 must complete and return to the director an affidavit of practice form provided by the
2.28 director verifying that the participant is practicing as required under subdivision 2,
2.29 paragraph (a). The participant must provide the director with verification that the full
2.30 amount of loan repayment disbursement received by the participant has been applied
2.31 toward the designated loans. After each disbursement, verification must be received by
2.32 the director and approved before the next loan repayment disbursement is made.

2.33 (e) Participants who move their practice remain eligible for loan repayment as long
2.34 as they practice as required under subdivision 2, paragraph (a).

2.35 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
2.36 minimum commitment of service required under subdivision 3, paragraph (b), the director

3.1 of the Minnesota Office of Higher Education must collect from the participant the total
3.2 amount paid to the participant under the loan forgiveness program plus interest at a rate
3.3 established according to section 270C.40. The director must deposit the money collected
3.4 in the state general fund. The director must allow waivers of all or part of the money owed
3.5 the director as a result of a nonfulfillment penalty if emergency circumstances prevented
3.6 fulfillment of the service obligation.

3.7 Subd. 6. **Rules.** The director may adopt rules to implement this section.

3.8 Sec. 2. **APPROPRIATION.**

3.9 \$225,000 is appropriated from the general fund to the director of the Minnesota
3.10 Office of Higher Education in fiscal year 2010 for the large animal loan forgiveness
3.11 program. This appropriation is available until expended.