

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2174
94TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture Policy March 6, 2008 with recommendation that House Committee Substitute for House Bill No. 2174 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

5042L.03C

AN ACT

To repeal sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, 340.396, 340.399, 340.402, and 340.405, RSMo, and to enact in lieu thereof nine new sections relating to large animal veterinary students.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, 340.396, 340.399, 340.402, and 340.405, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, and 340.396, to read as follows:

340.337. As used in sections 340.335 to 340.405, the following terms shall mean:

- (1) "Areas of defined need", areas designated by the department pursuant to section 340.339, when services of a large animal veterinarian are needed to improve the veterinarian-patient ratio in the area, or to contribute professional veterinary services to an area of economic impact;
- (2) "College", the college of veterinary medicine at the University of Missouri-Columbia;
- (3) "Department", the Missouri department of agriculture;
- (4) "Director", director of the Missouri department of agriculture;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 (5) "Eligible student", a resident who has been accepted as, **or is**, a full-time student at
11 the University of Missouri-Columbia enrolled in the doctor of veterinary medicine degree
12 program at the college of veterinary medicine;

13 (6) "**Large animal**", **an animal which is raised, bred, or maintained for its parts or**
14 **products having a commercial value including, but not limited to, its muscle tissue, organs,**
15 **fat, blood, manure, bones, milk, wool, hide, pelt, feathers, eggs, semen, or embryos;**

16 (7) "Large animal veterinarian", veterinarians licensed pursuant to this chapter, engaged
17 in general or large animal practice as their primary focus of practice, and who have a substantial
18 portion of their practice devoted to large animal veterinary medicine;

19 [(7)] (8) "Qualified applicant", an eligible student approved by the department for
20 participation in the large animal veterinary student loan program established by sections [340.375
21 to 340.405] **340.381 to 340.396;**

22 [(8)] (9) "Qualified employment", employment as a large animal veterinarian and where
23 a substantial portion of business involves the treatment of large animals on a full-time basis in
24 Missouri located in an area of need as determined by the department of agriculture. Qualified
25 employment shall not include employment with a large-scale agribusiness enterprise,
26 corporation, or entity. Any forgiveness of such principal and interest for any qualified applicant
27 engaged in qualified employment on a less than full-time basis may be prorated to reflect the
28 amounts provided in this section;

29 [(9)] (10) "Resident", any person who has lived in this state for one or more years for
30 any purpose other than the attending of an educational institution located within this state.

340.341. 1. The department shall adopt and promulgate rules establishing standards for
2 determining eligible [persons] **students** for loan repayment pursuant to sections 340.335 to
3 340.350. Such standards shall include, but are not limited to the following:

4 (1) Citizenship or **lawful** permanent residency in the United States;

5 (2) Residence in the state of Missouri;

6 (3) Enrollment as a full-time veterinary medical student in the final year of a course of
7 study offered by an approved educational institution in Missouri;

8 (4) Application for loan repayment.

9 2. The department shall not grant repayment for more than six veterinarians each year.

340.375. 1. The department of agriculture shall implement and administer the large
2 animal veterinary [student loan] **medicine loan repayment** program established under sections
3 [340.375 to 340.405] **340.335 to 340.350**, and the large animal veterinary [medicine loan
4 repayment] **student loan** program established under sections [340.335 to 340.350] **340.381 to**
5 **340.396.**

6 2. An advisory panel of not more than five members shall be appointed by the director.
7 The panel shall consist of three licensed large animal veterinarians, the dean of the college or his
8 or her designee, and one public member from the agricultural sector. The panel shall make
9 recommendations to the director on the content of any rules, regulations or guidelines under
10 sections 340.335 to [340.405] **340.396** prior to their promulgation. The panel may make
11 recommendations to the director regarding fund allocations for loans and loan repayment based
12 on current veterinarian shortage needs.

13 3. The department of agriculture shall promulgate reasonable rules and regulations for
14 the administration of sections [340.375 to 340.405] **340.381 to 340.396**, including but not
15 limited to rules for disbursements and repayment of loans. It shall prescribe the form, the time
16 and method of filing applications and supervise the proceedings thereof. Any rule or portion of
17 a rule, as that term is defined in section 536.010, RSMo, that is created under the authority
18 delegated in this section shall become effective only if it complies with and is subject to all of
19 the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section
20 and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general
21 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove
22 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority
23 and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

 340.381. **1. Sections 340.381 to 340.396 establish a student loan forgiveness
2 program for approved veterinary students who practice in areas of defined need. Such
3 program shall be known as the "Large Animal Veterinary Student Loan Program".**

4 **2.** There is hereby created in the state treasury the "Veterinary Student Loan Payment
5 Fund", which shall consist of general revenue appropriated to the large animal veterinary student
6 loan program, voluntary contributions to support or match program activities, money collected
7 under section 340.396, and funds received from the federal government. The state treasurer shall
8 be custodian of the fund and shall approve disbursements from the fund in accordance with
9 sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund shall be used solely
10 for the administration of sections [340.375 to 340.405] **340.381 to 340.396**. Notwithstanding
11 the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at
12 the end of the biennium shall not revert to the credit of the general revenue fund. The state
13 treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any
14 interest and moneys earned on such investments shall be credited to the fund.

 340.384. [The department of agriculture shall enter into a contract with each qualified
2 applicant receiving financial assistance under the provisions of sections 340.375 to 340.405 for
3 repayment of the principal and interest] **1. Eligible students may apply to the department for
4 financial assistance under the provisions of sections 340.381 to 340.396. If, at the time of**

5 application for a loan, a student has formally applied for acceptance at the college, receipt
6 of financial assistance is contingent upon acceptance and continued enrollment at the
7 college. A qualified applicant may receive financial assistance up to twenty thousand
8 dollars for each academic year he or she remains a student in good standing at the college,
9 provided that the cumulative total shall not exceed eighty thousand dollars per qualified
10 applicant. An eligible student may apply for financial assistance under this section at any
11 point in his or her educational career at the college, however any such financial assistance
12 shall only be awarded for current or future academic years, as applicable, and shall not be
13 awarded for any academic year completed prior to the time of application.

14 **2. Up to six qualified applicants per academic year may be awarded loans under**
15 **the provisions of sections 340.381 to 340.396. Priority for loans shall be given to eligible**
16 **students who have established financial need. All financial assistance shall be made from**
17 **funds credited to the veterinary student loan payment fund.**

340.387. [Eligible students may apply to the department for financial assistance under
2 the provisions of sections 340.375 to 340.405. If, at the time of application for a loan, a student
3 has formally applied for acceptance at the college, receipt of financial assistance is contingent
4 upon acceptance and continued enrollment at the college. A qualified applicant may receive
5 financial assistance for each academic year he or she remains a student in good standing at the
6 college] 1. **The department of agriculture may enter into a contract with each qualified**
7 **applicant receiving financial assistance under the provisions of sections 340.381 to 340.396.**
8 **Such contract shall specify terms and conditions of loan forgiveness through qualified**
9 **employment as well as terms and conditions for repayment of the principal and interest.**

10 **2. The department shall establish schedules for repayment of the principal and**
11 **interest on any financial assistance made under the provisions of sections 340.381 to**
12 **340.396. Interest at a rate set by the department, with the advice of the advisory panel**
13 **created in section 340.341, shall be charged from the time of the payment of financial**
14 **assistance on all financial assistance made under the provisions of sections 340.381 to**
15 **340.396, but the interest and principal of the total financial assistance granted to a**
16 **qualified applicant at the time of the successful completion of a doctor of veterinary**
17 **medicine degree program shall be forgiven through qualified employment.**

18 **3. For each year of qualified employment that an individual contracts to serve in**
19 **an area of defined need, the department shall forgive up to twenty thousand dollars and**
20 **accrued interest thereon on behalf of the individual for financial assistance provided under**
21 **sections 340.381 to 340.396.**

340.390. [Up to six qualified applicants per academic year may be awarded loans of up
2 to eighty thousand dollars per applicant under the provisions of sections 340.375 to 340.405.

3 Priority for loans shall be given to eligible students who have established financial need. All
4 financial assistance shall be made from funds credited to the veterinary student loan payment
5 fund] **1. A recipient of financial assistance under sections 340.381 to 340.396 who does not**
6 **meet the qualified employment obligations agreed upon by contract under section 340.387,**
7 **shall begin repayment of the loan principal and interest in accordance with the contract**
8 **within six months of the first day on which the recipient did not meet the qualified**
9 **employment obligations. If a qualified applicant ceases his or her study prior to successful**
10 **completion of a degree or graduation from the college, interest at the rate specified in**
11 **section 340.387 shall be charged on the amount of financial assistance received from the**
12 **state under the provisions of sections 340.381 to 340.396, and repayment, in accordance**
13 **with the contract, shall begin within ninety days of the date the financial aid recipient**
14 **ceased to be an eligible student. All funds repaid by recipients of financial assistance to the**
15 **department shall be deposited in the veterinary student loan payment fund for use**
16 **pursuant to sections 340.381 to 340.396.**

17 **2. The department shall grant a deferral of interest and principal payments to a**
18 **recipient of financial assistance under sections 340.381 to 340.396 who is pursuing a post**
19 **degree training program, is on active duty in any branch of the armed forces of the United**
20 **States, or upon special conditions established by the department. The deferral shall not**
21 **exceed four years. The status of each deferral shall be reviewed annually by the**
22 **department to ensure compliance with the intent of this section.**

340.393. [The department shall establish schedules for repayment of the principal and
2 interest on any financial assistance made under the provisions of sections 340.375 to 340.405.
3 Interest at the rate of nine and one-half percent per annum shall be charged on all financial
4 assistance made under the provisions of sections 340.375 to 340.405, but the interest and
5 principal of the total financial assistance granted to a qualified applicant at the time of the
6 successful completion of a doctor of veterinary medicine degree program shall be forgiven
7 through qualified employment] **When necessary to protect the interest of the state in any**
8 **financial assistance transaction under sections 340.381 to 340.396, the department may**
9 **institute any action to recover any amount due.**

340.396. [The financial assistance recipient shall repay the financial assistance principal
2 and interest beginning not more than one year after completion of the degree for which the
3 financial assistance was made in accordance with the repayment contract. If an eligible student
4 ceases his or her study prior to successful completion of a degree or graduation from the college,
5 interest at the rate specified in section 340.393 shall be charged on the amount of financial
6 assistance received from the state under the provisions of sections 340.375 to 340.405, and
7 repayment, in accordance with the repayment contract, shall begin within ninety days of the date

8 the financial aid recipient ceased to be an eligible student. All funds repaid by recipients of
9 financial assistance to the department shall be deposited in the veterinary student loan payment
10 fund for use pursuant to sections 340.375 to 340.405] **1. Sections 340.381 to 340.396 shall not**
11 **be construed to require the department to enter into contracts with individuals who qualify**
12 **for education loans or loan repayment programs when federal, state, and local funds are**
13 **not available for such purposes.**

14 **2. Sections 340.381 to 340.396 shall not be subject to the provisions of sections**
15 **23.250 to 23.298, RSMo.**

16 **3. Sections 340.381 to 340.396 shall expire on June 30, 2013.**

2 [340.399. The department shall grant a deferral of interest and principal
3 payments to a financial assistance recipient who is pursuing a postdegree training
4 program, or upon special conditions established by the department. The deferral
5 shall not exceed four years. The status of each deferral shall be reviewed
6 annually by the department to ensure compliance with the intent of this section.]

2 [340.402. When necessary to protect the interest of the state in any
3 financial assistance transaction under sections 340.375 to 340.405, the
4 department may institute any action to recover any amount due.]

2 [340.405. 1. Sections 340.375 to 340.405 shall not be construed to
3 require the department to enter into contracts with individuals who qualify for
4 education loans or loan repayment programs when federal, state and local funds
5 are not available for such purposes.

6 2. Sections 340.375 to 340.405 shall not be subject to the provisions of
7 sections 23.250 to 23.298, RSMo.

3. Sections 340.375 to 340.405 shall expire on June 30, 2013.]

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