

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

255P0008

## HOUSE BILL NO. 1127

Introduced by: Representatives Juhnke, Brunner, Burg, Deadrick, DeVries, Hackl, Howie, Noem, Rhoden, and Vanneman and Senators Garnos, Bartling, Duenwald, Hansen (Tom), Hanson (Gary), Lintz, McNenny, and Peterson (Jim)

1 FOR AN ACT ENTITLED, An Act to establish a loan repayment program for veterinarians and  
2 to make an appropriation therefor.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. The veterinarian loan repayment program is hereby established. Each year the  
5 Board of Veterinary Medical Examiners, in consultation with the Animal Industry Board and  
6 the state veterinarian, shall select from a pool of applicants no more than three veterinarians who  
7 provide food animal and large animal veterinary medicine services to communities in this state.  
8 The veterinarians selected may receive an amount not to exceed eighty thousand dollars in  
9 education loan repayment funds as provided in this Act. If the State of South Dakota accepts any  
10 gifts, grants, or donations under this Act, additional veterinarians may be selected for  
11 participation in the loan repayment program as provided in section 11 of this Act.

12 Section 2. The Board of Veterinary Medical Examiners shall promulgate rules pursuant to  
13 chapter 1-26 to provide for the implementation of the veterinarian loan repayment program in  
14 accordance with the provisions of this Act. The rules shall include the following:



- 1 (1) Qualifications and eligibility requirements for applicants for the program and criteria  
2 used to identify and rank communities in need of veterinary services;
- 3 (2) Application forms and procedures;
- 4 (3) Award procedures and criteria;
- 5 (4) Conditions for the use of loan repayment funds;
- 6 (5) Criteria and procedures for cancellation, suspension, revocation, or revision of  
7 awards or release from awards contracts;
- 8 (6) Record keeping and reporting requirements.

9 Section 3. In establishing the criteria regarding a veterinarian's eligibility for loan repayment  
10 funds under this Act, the Board of Veterinary Medical Examiners shall:

- 11 (1) Consider the veterinarian's training in food animal and large animal veterinary  
12 medicine, ability and willingness of the veterinarian to engage in food animal and  
13 large animal veterinary medicine, and the extent to which such services are needed  
14 in a selected community;
- 15 (2) Consider the veterinarian's commitment to serve in a community that is in need of a  
16 veterinarian;
- 17 (3) Consider the compatibility of the veterinarian with a selected community;
- 18 (4) Consider the date by which the veterinarian would be available for service to the  
19 selected community;
- 20 (5) Consider the veterinarian's competence and professional conduct;
- 21 (6) Give priority to a veterinarian on whose behalf state-funded student support fees have  
22 not been paid.

23 Section 4. In selecting a community with a defined need for the services of a veterinarian,  
24 the Board of Veterinary Medical Examiners shall consider:

- 1 (1) The number of veterinarians practicing in the community and the surrounding area;
- 2 (2) The access by residents to veterinarians practicing in the community and the  
3 surrounding area;
- 4 (3) The degree to which residents support the addition of a veterinarian within the  
5 community;
- 6 (4) The size of the community. The board shall give priority:
  - 7 (a) First to rural communities having a population less than five thousand;
  - 8 (b) Second to communities having a population of at least five thousand but less  
9 than ten thousand; and
  - 10 (c) Third to communities having a population of ten thousand or greater.

11 The state health council shall give priority for participation to a community that  
12 demonstrates a need for a veterinarian. In evaluating communities for participation in this  
13 program, the board may consult with public and private entities and visit the communities.

14 Section 5. In implementing the veterinarian loan repayment program, the Board of  
15 Veterinary Medical Examiners may:

- 16 (1) Determine the eligibility and qualifications of an applicant for veterinarian loan  
17 repayment program funds under this Act;
- 18 (2) Identify communities that are in need of a veterinarian and establish a priority  
19 ranking for participation in the program by the selected communities;
- 20 (3) Create and distribute loan repayment program applications;
- 21 (4) Determine the amount of the loan repayment funds for which an applicant is eligible  
22 under this Act and, in making this determination, examine any outstanding education  
23 loans incurred by the applicant;
- 24 (5) Establish conditions regarding the use of the loan repayment funds by an applicant;

- 1       (6) Enter a nonrenewable contract with the applicant and the selected community to
- 2             provide to the applicant funds for the repayment of education loans in exchange for
- 3             the applicant agreeing to actively practice in the selected community;
- 4       (7) Receive and use funds appropriated for the program;
- 5       (8) Enforce any contract under the program;
- 6       (9) Cancel a contract for reasonable cause;
- 7       (10) Participate in federal programs that support the repayment of education loans
- 8             incurred by veterinarians and agree to the conditions of the federal programs;
- 9       (11) Accept property from an entity; and
- 10       (12) Cooperate with state agencies and officials to effectuate this Act.

11       Section 6. No veterinarian may be selected to receive loan repayment funds under this Act  
12 unless the veterinarian is a graduate of an accredited college of veterinary medicine and is  
13 licensed to practice veterinary medicine in this state.

14       Section 7. Any veterinarian who is selected to receive loan repayment funds under this Act  
15 shall contract to provide full-time food animal and large animal veterinary medicine services  
16 for two, three, or four years in one or more selected communities.

17       Section 8. The Board of Veterinary Medical Examiners may provide for loan repayment  
18 funds to a veterinarian who has received an education loan. The board may not provide funds  
19 for the repayment of a loan that is in default at the time of the application. The amount of the  
20 repayment shall be related to the veterinarian's outstanding education loans.

21       Section 9. The Board of Veterinary Medical Examiners shall release a veterinarian from the  
22 veterinarian's loan repayment contract without penalty if:

- 23       (1) The veterinarian has completed the service requirements of the contract;
- 24       (2) The veterinarian is unable to complete the service requirement of the contract

1 because of a permanent physical disability;

2 (3) The veterinarian demonstrates to the board extreme hardship or shows other good  
3 cause justifying the release; or

4 (4) The veterinarian dies.

5 A decision by the Board of Veterinary Medical Examiners not to release a veterinarian from  
6 the veterinarian's loan repayment contract without penalty may be appealed to the circuit court.

7 Section 10. Upon completing six months of the first year of service, as required by the  
8 contract, a veterinarian who has been selected under the veterinarian's loan repayment program  
9 is eligible to receive a loan payment in an amount not to exceed fifteen thousand dollars. Upon  
10 completing a second year of service, as required by the contract, the veterinarian is eligible to  
11 receive a loan payment in an amount not to exceed fifteen thousand dollars. Upon completing  
12 a third year of service, as required by the contract, the veterinarian is eligible to receive a loan  
13 payment in an amount not to exceed twenty-five thousand dollars. Upon completing a fourth  
14 year of service, as required by the contract, the veterinarian is eligible to receive a loan payment  
15 in an amount not to exceed twenty-five thousand dollars. All payments under this section shall  
16 be made to the issuer of the student loan. No individual may receive more than eighty thousand  
17 dollars under this section. If an individual fails to complete an entire year of service, the amount  
18 repayable under this section for that year shall be prorated.

19 Section 11. The Board of Veterinary Medical Examiners may accept any conditional or  
20 unconditional gifts, grants, or donations for the purpose of providing funds for the repayment  
21 of veterinarians' education loans. If an entity desires to provide funds to the board to allow an  
22 expansion of the program beyond the three veterinarians contemplated by this Act, the entity  
23 shall commit to fund fully the expansion for a period of four years. The board may contract with  
24 a public or private entity and may expend any moneys available to the board to obtain matching

1 funds for the purposes of this Act. All moneys received as gifts, grants, or donations under this  
2 section are continuously appropriated to the Board of Veterinary Medical Examiners for the  
3 purpose of providing funds for the repayment of additional veterinarians' education loans.

4 Section 12. There is hereby appropriated from the general fund the sum of one hundred  
5 thousand dollars (\$100,000), or so much thereof as may be necessary, to the Board of Veterinary  
6 Medical Examiners for the purpose of providing veterinarian repayment loans and implementing  
7 the veterinarian loan repayment program as provided in this Act..

8 Section 13. The state veterinarian shall approve vouchers and the state auditor shall draw  
9 warrants to pay expenditures authorized by this Act.

10 Section 14. Any amounts appropriated in this Act not lawfully expended or obligated by  
11 June 30, 2009, shall revert in accordance with § 4-8-21.