

House Bill 62

By: Representative Maddox of the 172<sup>nd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,  
2 relating to scholarships, loans, and grants, so as to change certain provisions relating to a  
3 service cancelable loan fund and authorized types of service cancelable educational loans;  
4 to provide for a State Veterinary Education Board and its membership, powers, and duties;  
5 to provide for purchases of loans made for educational purposes to students who have  
6 completed a veterinary medical degree program; to provide for repayment of such purchases  
7 through the practice of certain veterinary medicine specialties in this state; to repeal  
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to  
12 scholarships, loans, and grants, is amended by revising paragraph (3) of subsection (b) of  
13 Code Section 20-3-374, relating to a service cancelable loan fund and authorized types of  
14 service cancelable educational loans, as follows:

15 ~~"(3) DOCTORS OF VETERINARY MEDICINE. The authority is authorized to make service~~  
16 ~~cancelable educational loans to residents of Georgia who are enrolled in school in the~~  
17 ~~field of doctor of veterinary medicine, including veterinary surgery, obstetrics, dentistry,~~  
18 ~~and all other specialties of veterinary medicine. Loans may be made to students enrolled~~  
19 ~~in a veterinary college or in a veterinary division of a university or college accredited by~~  
20 ~~the American Veterinary Medical Association who are pursuing a program of study~~  
21 ~~leading to the degree of doctor of veterinary medicine or its equivalent. The authority~~  
22 ~~shall from time to time, by regulation, designate specialties within the veterinary science~~  
23 ~~field that qualify for service cancelable loans under this paragraph. In designating the~~  
24 ~~qualified specialties, the authority shall give preference to those specialties in which there~~  
25 ~~are shortages of persons trained in that specialty in the State of Georgia. Loans made~~  
26 ~~under this paragraph need not be limited to students attending a school located in the~~

27 ~~State of Georgia. However, any and all loans made under this paragraph shall be~~  
 28 ~~conditional upon the student agreeing that the loan shall be repaid by the student either:~~  
 29 ~~(A) Practicing in the approved qualified field in a geographical area in the State of~~  
 30 ~~Georgia approved by the authority. For service repayment, the loan shall be repaid at~~  
 31 ~~a rate of one year of service for each academic year of study or its equivalent for which~~  
 32 ~~a loan is made to the student under this paragraph; or~~  
 33 ~~(B) In cash repayment with assessed interest thereon in accordance with the terms and~~  
 34 ~~conditions of a promissory note that shall be executed by the student.~~  
 35 ~~A geographical area for service repayment through services rendered shall not be~~  
 36 ~~approved unless the area is a rural or sparsely populated area of the state or in a~~  
 37 ~~community of 10,000 population or less according to the United States decennial census~~  
 38 ~~of 2000 or any future such census and experiencing a shortage of licensed veterinarians~~  
 39 ~~to meet the needs of owners or producers of farm animals used for or in connection with~~  
 40 ~~the production of commercial food products. If the loan is not repaid by services~~  
 41 ~~rendered, it must be repaid by the student in cash with interest thereon in accordance with~~  
 42 ~~the terms of the promissory note executed by the student Reserved; and"~~

## 43 SECTION 2.

44 Said article is further amended by adding a new part as follows:

### 45 "Part 6A

46 20-3-518.1.

47 As used in this part, the term:

- 48 (1) 'Board' means the State Veterinary Education Board created under Code Section  
 49 20-3-518.2.  
 50 (2) 'Commissioner' means the Commissioner of Agriculture.  
 51 (3) 'Department' means the Department of Agriculture.

52 20-3-518.2.

53 (a) There shall be a State Veterinary Education Board which shall consist of:

- 54 (1) The Commissioner of Agriculture or his or her designee;  
 55 (2) The Dean of the College of Veterinary Medicine of the University of Georgia or his  
 56 or her designee;  
 57 (3) The Dean of the College of Agricultural and Environmental Sciences of the  
 58 University of Georgia or his or her designee;

59 (4) A person actively engaged in the production of livestock in this state, to be appointed  
60 by the Governor, who shall serve for a term of four years and until his or her successor  
61 is qualified and appointed. The term of the initial member appointed under this  
62 paragraph shall commence on the effective date of this part; and

63 (5) A person actively engaged in the private practice of veterinary medicine in this state,  
64 whose practice includes but is not necessarily limited to food animals, to be appointed by  
65 the State Board of Veterinary Medicine, who shall serve for a term of four years and until  
66 his or her successor is qualified and appointed. The term of the initial member appointed  
67 under this paragraph shall commence on the effective date of this part.

68 (b) Any vacancies on the board shall be filled in the same manner as the original  
69 appointment.

70 (c) The board shall elect annually a chairperson and also a vice chairperson to serve in the  
71 absence or inability of the chairperson. The board shall meet at least once each year at  
72 such time and place as may be fixed by the board. Special meetings shall be held upon the  
73 call of the chairperson. Three members of the board shall constitute a quorum for the  
74 transaction of business. No official action shall be taken by the board except upon the  
75 affirmative vote of at least three members of the board.

76 (d) For attending meetings of the board and for traveling in carrying out the official duties,  
77 the members of the board shall receive the compensation and allowances specified by Code  
78 Section 45-7-21.

79 (e) The board shall be attached to the Department of Agriculture for administrative  
80 purposes only, pursuant to Code Section 50-4-3.

81 20-3-518.3.

82 (a) The board may provide for the purchase of loans made to students for educational  
83 purposes who have completed a program of study in the field of doctor of veterinary  
84 medicine or its equivalent and are authorized to practice veterinary medicine in this state,  
85 with such purchase to be repaid by the practice of veterinary medicine while residing in this  
86 state.

87 (b) The board shall from time to time, by regulation, designate specialties within the  
88 veterinary science field that qualify for loan purchases under this part. In designating the  
89 qualified specialties, the board shall give preference to food animal specialties but, in the  
90 absence of qualified food animal specialist applicants, may additionally designate other  
91 specialties in which there are shortages of persons trained in such specialties in this state.

92 20-3-518.4.

93 (a) Persons whose applications are approved shall receive a loan purchase in an amount  
94 to be determined by the board, but not exceeding \$20,000.00 annually, as provided by  
95 Code Section 20-3-518.3. The loan purchases shall be paid in such manner as the board  
96 shall determine. The loan purchases to be granted to each applicant shall be based upon  
97 the condition that the full amount of such loan purchases shall be repaid to the State of  
98 Georgia in services to be rendered by the applicant by practicing his or her profession in  
99 a board approved rural county in Georgia of 35,000 population or less according to the  
100 United States decennial census of 2000 or any future such census. For time served in  
101 practicing his or her profession in such board approved location, the applicant shall receive  
102 credit against the amount of the loan purchase received, with such credit accruing monthly  
103 at a rate equivalent to \$20,000.00 per 12 months of service.

104 (b) The board shall not enter into new loan purchase agreements with more than five  
105 persons per year, and any such agreement may be renewed annually not more than three  
106 times; provided, however, that the total sum of loan purchase payments made by the board  
107 in any fiscal year from state appropriations shall not exceed the amount of funds for such  
108 loan purchase purposes specified in annual appropriations Acts. Funds in the loan purchase  
109 fund account that are not expended by the board for loan purchases during any fiscal year  
110 shall lapse.

111 20-3-518.5.

112 (a) Each applicant before being granted a loan purchase shall enter into a contract with the  
113 board agreeing to the terms and conditions upon which the loan purchase is granted, which  
114 contract shall include such terms and provisions as will carry out the full purpose and intent  
115 of this part. The form of such contract shall be prepared and approved by the Attorney  
116 General, and each contract shall be signed by the chairperson of the board and by the  
117 applicant. The board is vested with full and complete authority to bring an action in its  
118 own name against any applicant for any balance due the board on any such contract.

119 (b) An applicant who has entered into a loan purchase contract with the board and who  
120 breaches that contract by either failing to begin or failing to complete his or her service  
121 obligation under such contract shall be immediately liable to the board for three times the  
122 total uncredited amount of all such loan purchase payments paid to or on behalf of the  
123 applicant, such uncredited sums to be prorated on a monthly basis respecting the applicant's  
124 actual service and total service obligation. The board may consent or agree to a lesser  
125 measure of damages for compelling reasons.

126 (c) The board shall have the authority to cancel the loan purchase contract of any applicant  
127 at any time for any cause deemed sufficient by the board, provided that such authority shall

128 not be arbitrarily or unreasonably exercised. Upon such cancellation by the board, the total  
129 uncredited amount of the loan purchase paid to the applicant shall at once become due and  
130 payable to the board in cash with interest at the minimum rate of 12 percent per annum  
131 from the date of each payment by the board and compounded annually to the date the loan  
132 purchase is repaid in full. The board is authorized to increase annually such rate of interest;  
133 provided, however, that the increased rate of interest shall not exceed by more than 2  
134 percent the prime rate published by the Board of Governors of the Federal Reserve System  
135 and in effect at the time of increase.

136 20-3-518.6.

137 The funds necessary for the loan purchases provided for by this part and to administer the  
138 terms of this part shall come from funds made available to the board from appropriations  
139 for such purpose.

140 20-3-518.7.

141 The board shall adopt such rules and regulations as are reasonable and necessary to  
142 implement this part."

143 **SECTION 3.**

144 All laws and parts of laws in conflict with this Act are repealed.