

House Bill 234

By: Representative Maddox of the 172nd

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 service cancelable loans and scholarships to residents of Georgia who are
6 enrolled in school in the field of veterinary medicine; to provide for purchase of loans made
7 for educational purposes to students who have completed a veterinary medical degree
8 program; to provide effective dates; to repeal 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 July 1, 2009; 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 July 1, 2009.

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 is authorized to make service cancelable educational loans or scholarships
83 to residents of Georgia who are enrolled in school in the field of doctor of veterinary
84 medicine, including veterinary surgery, obstetrics, dentistry, and all other specialties of
85 veterinary medicine. Loans or scholarships may be made to students enrolled in a
86 veterinary college or in a veterinary division of a university or college accredited by the
87 American Veterinary Medical Association who are pursuing a program of study leading
88 to the degree of doctor of veterinary medicine or its equivalent. Loans, scholarships, or
89 loan purchases for veterinary medicine made under this part need not be limited to students
90 who are attending or who attended a school located in the State of Georgia.

91 (b) The board may provide for the purchase of loans made to students for educational
92 purposes who have completed a program of study in the field of doctor of veterinary
93 medicine or its equivalent and are authorized to practice veterinary medicine in this state,

94 with such purchase to be repaid by the practice of veterinary medicine while residing in this
95 state.

96 (c) The board shall from time to time, by regulation, designate specialties within the
97 veterinary science field that qualify for service cancelable loans or scholarships or loan
98 purchases under this part. In designating the qualified specialties, the board shall give
99 preference to food animal specialties or other specialties in which there are shortages of
100 persons trained in such specialties in this state.

101 20-3-518.4.

102 (a) Persons whose applications are approved shall receive a loan, scholarship, or loan
103 purchase in an amount to be determined by the board, but not exceeding \$20,000.00
104 annually, to defray the tuition and other expenses of the applicant in a college or university
105 as provided by Code Section 20-3-518.3. The loans, scholarships, or loan purchases shall
106 be paid in such manner as the board shall determine. Loans and scholarships may be
107 prorated so as to pay to the veterinary medicine college or school to which any applicant
108 is admitted such funds as are required by that college or school with the balance being paid
109 directly to the applicant, all of which shall be under such terms and conditions as may be
110 provided under rules and regulations of the board. The loans, scholarships, or loan
111 purchases to be granted to each applicant shall be based upon the condition that the full
112 amount of such loans, scholarships, or loan purchases shall be repaid to the State of
113 Georgia in services to be rendered by the applicant by practicing his or her profession in
114 a board approved rural county in Georgia of 35,000 population or less according to the
115 United States decennial census of 2000 or any future such census. For each year of
116 practicing his or her profession in such board approved location, the applicant shall receive
117 credit for the amount of the loan, scholarship, or loan purchase received during any one
118 year, with the interest due on such amount.

119 (b) The board shall not enter into new loan, scholarship, or loan purchase agreements with
120 more than five persons per year, and any such agreement may be renewed annually not
121 more than three times; provided, however, that the total sum of service cancelable loan or
122 scholarship or loan purchase payments made by the board in any fiscal year from state
123 appropriations shall not exceed the amount of funds for such loan, scholarship, and loan
124 purchase purposes specified in annual appropriations Acts. Funds in the veterinary service
125 cancelable loan and scholarship and loan purchase fund account that are not expended by
126 the board for veterinary service cancelable loans or scholarships or loan purchases during
127 any fiscal year shall lapse.

128 20-3-518.5.

129 (a) Each applicant before being granted a loan, scholarship, or loan purchase shall enter
130 into a contract with the board agreeing to the terms and conditions upon which the loan,
131 scholarship, or loan purchase is granted, which contract shall include such terms and
132 provisions as will carry out the full purpose and intent of this part. The form of such
133 contract shall be prepared and approved by the Attorney General, and each contract shall
134 be signed by the chairperson of the board and by the applicant. For the purposes of this
135 part the disabilities of minority of all applicants granted loans, scholarships, or loan
136 purchases pursuant to this part are removed, and the said applicants are declared to be of
137 full lawful age for the purpose of entering into the contract provided for in this Code
138 section, and such contract so executed by an applicant is declared to be a valid and binding
139 contract the same as though the said applicant were of the full age of majority. The board
140 is vested with full and complete authority to bring an action in its own name against any
141 applicant for any balance due the board on any such contract.

142 (b) An applicant who has entered into a loan or scholarship contract with the board and
143 who:

144 (1) Is dismissed for either academic or disciplinary reasons from the college or school
145 of veterinary medicine he or she is attending; or

146 (2) Voluntarily terminates his or her training and education in that institution for any
147 reason prior to completion of training

148 shall be immediately liable to the board for all sums advanced with interest at the minimum
149 rate of 12 percent per annum from the date of each payment by the board and compounded
150 annually to the date the loan is paid in full. The board is authorized to increase annually
151 said rate of interest due on loans granted to new recipients; provided, however, that the
152 increased rate of interest shall not exceed by more than 2 percent the prime rate published
153 by the Board of Governors of the Federal Reserve System and in effect at the time of the
154 increase.

155 (c) An applicant who has entered into a loan, scholarship, or loan purchase contract with
156 the board and who breaches that contract by either failing to begin or failing to complete
157 his or her service obligation under such contract shall be immediately liable to the board
158 for three times the total uncredited amount of all such loan, scholarship, or loan purchase
159 payments paid to or on behalf of the applicant, such uncredited sums to be prorated on a
160 monthly basis respecting the applicant's actual service and total service obligation. The
161 board may consent or agree to a lesser measure of damages for compelling reasons.

162 (d) The board shall have the authority to cancel the loan, scholarship, or loan purchase
163 contract of any applicant at any time for any cause deemed sufficient by the board,
164 provided that such authority shall not be arbitrarily or unreasonably exercised. Upon such

165 cancellation by the board, the total uncredited amount of the loan, scholarship, or loan
166 purchase paid to the applicant shall at once become due and payable to the board in cash
167 with interest at the minimum rate of 12 percent per annum from the date of each payment
168 by the board and compounded annually to the date the loan is paid in full. The board is
169 authorized to increase annually such rate of interest, subject to the limitations set forth in
170 subsection (b) of this Code section.

171 20-3-518.6.

172 It shall be the duty of the board to make inquiry of such veterinary medicine colleges or
173 schools as it deems proper and make arrangements, with the limitations as to cost as
174 provided in this part, for the payment of tuition or matriculation fees of enrolled students
175 granted scholarships by the board.

176 20-3-518.7.

177 The funds necessary for the loans, scholarships, and loan purchases provided for by this
178 part and to administer the terms of this part shall come from funds made available to the
179 board from appropriations for such purpose.

180 20-3-518.8.

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

183 **SECTION 3.**

184 This Act shall become effective upon its approval by the Governor or upon its becoming law
185 without such approval for purposes of appointment of members as provided in Code Section
186 20-3-518.2 as enacted by this Act; and for all other purposes, this Act shall become effective
187 on July 1, 2009.

188 **SECTION 4.**

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