

Sixtieth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1125

Introduced by

Education Committee

(At the request of the State Board of Higher Education)

1 A BILL for an Act to create and enact chapters 43-13.1 and 43-29.1 of the North Dakota  
2 Century Code, relating to loan repayment programs for optometrists and veterinarians; to  
3 provide a continuing appropriation; and to provide an appropriation.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Chapter 43-13.1 of the North Dakota Century Code is created and  
6 enacted as follows:

7 **43-13.1-01. Loan repayment program - Optometrists - Maximum amount of funds.**

8 Each year the state health council, in consultation with the state optometric association director,  
9 shall select from a pool of applicants no more than three optometrists who shall provide  
10 optometry services to communities in this state. The optometrists are eligible to receive up to  
11 eighty thousand dollars in loan repayment funds. If the state health council accepts any gifts,  
12 grants, or donations under this chapter, the council may select additional optometrists for  
13 participation in the loan repayment program under this chapter.

14 **43-13.1-02. Loan repayment program - Optometrists - Powers of state health**  
15 **council.**

16 The state health council may:

- 17 1. Determine the eligibility and qualifications of an applicant for loan repayment funds  
18 under this chapter.
- 19 2. Identify communities that are in need of an optometrist and establish a priority  
20 ranking for participation in the program by the selected communities.
- 21 3. Create and distribute a loan repayment application.
- 22 4. Determine the amount of the loan repayment funds for which an optometrist is  
23 eligible under this chapter and, in making this determination, examine any  
24 outstanding education loans incurred by the applicant.

- 1           5. Establish conditions regarding the use of the loan repayment funds.
- 2           6. Enter a nonrenewable contract with the optometrist and the selected community to
- 3           provide to the optometrist funds for the repayment of education loans in exchange
- 4           for the optometrist agreeing to practice in the selected community.
- 5           7. Receive and use funds appropriated for the program.
- 6           8. Enforce any contract under the program.
- 7           9. Cancel a contract for reasonable cause.
- 8           10. Participate in federal programs that support the repayment of education loans
- 9           incurred by optometrists and agree to the conditions of the federal programs.
- 10          11. Accept property from an entity.
- 11          12. Cooperate with the state department of health to effectuate this chapter.

12           **43-13.1-03. Optometrist selection criteria - Eligibility for loan repayment.**

- 13          1. In establishing the criteria regarding an optometrist's eligibility for loan repayment
- 14          funds under this chapter, the state health council shall include consideration of:
- 15           a. The optometrist's training in optometry or in a related specialty and the extent
- 16           to which such services are needed in a selected community.
- 17           b. The optometrist's commitment to serve in a community that is in need of an
- 18           optometrist.
- 19           c. The compatibility of the optometrist with a selected community.
- 20           d. The date by which the optometrist would be available for service to the
- 21           selected community.
- 22           e. The optometrist's competence and professional conduct.
- 23           f. The optometrist's willingness to accept medicare and medicaid patients.
- 24          2. An optometrist who is selected to receive loan repayment funds under this chapter:
- 25           a. May not have practiced optometry full time in this state during the three years
- 26           immediately preceding the application;
- 27           b. Must have graduated from an accredited college of optometry during the year
- 28           immediately preceding the application or within one year after the date of the
- 29           application; and
- 30           c. Must be licensed to practice optometry in this state.

1           3. Optometrists selected shall contract to provide full-time optometry services for two,  
2           three, or four years in one or more selected communities.

3           **43-13.1-04. Community selection criteria.**

4           1. In selecting a community with a defined need for the services of an optometrist, the  
5           health council shall consider:

6           a. The size of the community and give priority:

7                 (1) First to rural communities having a population under five thousand;

8                 (2) Second to communities having a population between five thousand and  
9                 ten thousand; and

10                (3) Third communities having a population greater than ten thousand.

11           b. The number of optometrists practicing in the community and the surrounding  
12           area.

13           c. The access by residents to optometrists practicing in the community and the  
14           surrounding area.

15           d. The degree to which residents support the addition of an optometrist within  
16           the community.

17           2. The state health council shall give priority for participation to a community that  
18           demonstrates a need for an optometrist.

19           3. In evaluating communities for participation in this program, the state health council  
20           may consult with public and private entities and visit the communities.

21           **43-13.1-05. Eligible loans.** The state health council may provide for loan repayment  
22           funds to an optometrist who has received an education loan. The council may not provide  
23           funds for the repayment of a loan that is in default at the time of the application. The amount of  
24           the repayment must be related to the optometrist's outstanding education loans.

25           **43-13.1-06. Release from contract obligation.**

26           1. The state health council shall release an optometrist from the optometrist's loan  
27           repayment contract without penalty if:

28                a. The optometrist has completed the service requirements of the contract;

29                b. The optometrist is unable to complete the service requirement of the contract  
30                because of a permanent physical disability;

1           c. The optometrist demonstrates to the state health council extreme hardship or  
2           shows other good cause justifying the release; or

3           d. The optometrist dies.

4           2. A decision by the state health council not to release an optometrist from the  
5           optometrist's loan repayment contract without penalty is reviewable by district  
6           court.

7           **43-13.1-07. Loan repayment.** Upon completing one year of service, as required by  
8           the contract, the optometrist is eligible to receive a loan payment in an amount equaling twenty  
9           percent of the applicant's original student loan. Upon completing a second year of service, as  
10          required by the contract, the optometrist is eligible to receive a loan payment in an amount  
11          equaling twenty percent of the applicant's original student loan. Upon completing a third year of  
12          service, as required by the contract, the optometrist is eligible to receive a loan payment in an  
13          amount equaling thirty percent of the applicant's original student loan. Upon completing a  
14          fourth year of service, as required by the contract, the optometrist is eligible to receive a loan  
15          payment in an amount equaling thirty percent of the applicant's original student loan. All  
16          payments under this section must be made to the issuer of the student loan. No individual may  
17          receive more than eighty thousand dollars under this section. If an individual fails to complete  
18          an entire year of service, the amount repayable under this section for that year must be  
19          prorated.

20          **43-13.1-08. Gifts, grants, and donations - Continuing appropriation.** The state  
21          health council may accept any conditional or unconditional gifts, grants, or donations for the  
22          purpose of providing funds for the repayment of optometrists' education loans. If an entity  
23          desires to provide funds to the state health council to allow an expansion of the program  
24          beyond the three optometrists contemplated by this chapter, the entity shall commit to fund fully  
25          the expansion for a period of four years. The state health council may contract with a public or  
26          private entity and may expend any moneys available to the state health council council to  
27          obtain matching funds for the purposes of this chapter. All moneys received as gifts, grants, or  
28          donations under this section are appropriated as a continuing appropriation to the state health  
29          council for the purpose of providing funds for the repayment of additional optometrists'  
30          education loans.

1           **SECTION 2.** Chapter 43-29.1 of the North Dakota Century Code is created and  
2 enacted as follows:

3           **43-29.1-01. Loan repayment program - Veterinarians - Maximum amount of funds.**

4 Each year the state health council, in consultation with the state veterinarian, shall select from a  
5 pool of applicants no more than three veterinarians who shall provide food animal veterinary  
6 medicine services to communities in this state. The veterinarians are eligible to receive up to  
7 eighty thousand dollars in loan repayment funds. If the state health council accepts any gifts,  
8 grants, or donations under this chapter, the council may select additional veterinarians for  
9 participation in the loan repayment program under this chapter.

10           **43-29.1-02. Loan repayment program - Veterinarians - Powers of state health**  
11 **council.** The state health council may:

- 12           1. Determine the eligibility and qualifications of an applicant for loan repayment funds  
13           under this chapter.
- 14           2. Identify communities that are in need of a veterinarian and establish a priority  
15           ranking for participation in the program by the selected communities.
- 16           3. Create and distribute a loan repayment application.
- 17           4. Determine the amount of the loan repayment funds for which a veterinarian is  
18           eligible under this chapter and, in making this determination, examine any  
19           outstanding education loans incurred by the applicant.
- 20           5. Establish conditions regarding the use of the loan repayment funds.
- 21           6. Enter a nonrenewable contract with the veterinarian and the selected community to  
22           provide to the veterinarian funds for the repayment of education loans in exchange  
23           for the veterinarian agreeing to actively practice in the selected community.
- 24           7. Receive and use funds appropriated for the program.
- 25           8. Enforce any contract under the program.
- 26           9. Cancel a contract for reasonable cause.
- 27           10. Participate in federal programs that support the repayment of education loans  
28           incurred by veterinarians and agree to the conditions of the federal programs.
- 29           11. Accept property from an entity.
- 30           12. Cooperate with the state department of health to effectuate this chapter.

31           **43-29.1-03. Veterinarian selection criteria - Eligibility for loan repayment.**

- 1           1. In establishing the criteria regarding a veterinarian's eligibility for loan repayment  
2           funds under this chapter, the state health council shall include consideration of:  
3           a. The veterinarian's training in food animal veterinary medicine, ability and  
4           willingness of the veterinarian to engage in food animal veterinary medicine,  
5           and the extent to which such services are needed in a selected community.  
6           b. The veterinarian's commitment to serve in a community that is in need of a  
7           veterinarian.  
8           c. The compatibility of the veterinarian with a selected community.  
9           d. The date by which the veterinarian would be available for service to the  
10           selected community.  
11           e. The veterinarian's competence and professional conduct.  
12           2. A veterinarian who is selected to receive loan repayment funds under this chapter:  
13           a. May not have practiced veterinary medicine full time in this state during the  
14           three years immediately preceding the application;  
15           b. Must have graduated from an accredited college of veterinary medicine  
16           during the year immediately preceding the application or within one year after  
17           the date of the application; and  
18           c. Must be licensed to practice veterinary medicine in this state.  
19           3. Veterinarians selected shall contract to provide full-time veterinary medicine  
20           services for two, three, or four years in one or more selected communities.

21           **43-29.1-04. Community selection criteria.**

- 22           1. In selecting a community with a defined need for the services of a veterinarian, the  
23           health council shall consider:  
24           a. The size of the community and give priority:  
25                 (1) First to rural communities having a population under five thousand;  
26                 (2) Second to communities having a population between five thousand and  
27                 ten thousand; and  
28                 (3) Third to communities having a population greater than ten thousand.  
29           b. The number of veterinarians practicing in the community and the surrounding  
30           area.

- 1           c. The access by residents to veterinarians practicing in the community and the  
2                     surrounding area.
- 3           d. The degree to which residents support the addition of a veterinarian within the  
4                     community.
- 5           2. The state health council shall give priority for participation to a community that  
6                     demonstrates a need for a veterinarian.
- 7           3. In evaluating communities for participation in this program, the state health council  
8                     may consult with public and private entities and visit the communities.

9           **43-29.1-05. Eligible loans.** The state health council may provide for loan repayment  
10 funds to a veterinarian who has received an education loan. The council may not provide funds  
11 for the repayment of a loan that is in default at the time of the application. The amount of the  
12 repayment must be related to the veterinarian's outstanding education loans.

13           **43-29.1-06. Release from contract obligation.**

- 14           1. The state health council shall release a veterinarian from the veterinarian's loan  
15                     repayment contract without penalty if:
- 16                     a. The veterinarian has completed the service requirements of the contract;  
17                     b. The veterinarian is unable to complete the service requirement of the contract  
18                         because of a permanent physical disability;  
19                     c. The veterinarian demonstrates to the state health council extreme hardship or  
20                         shows other good cause justifying the release; or  
21                     d. The veterinarian dies.
- 22           2. A decision by the state health council not to release a veterinarian from the  
23                     veterinarian's loan repayment contract without penalty is reviewable by district  
24                     court.

25           **43-29.1-07. Loan repayment.** Upon completing one year of service, as required by  
26 the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty  
27 percent of the applicant's original student loan. Upon completing a second year of service, as  
28 required by the contract, the veterinarian is eligible to receive a loan payment in an amount  
29 equaling twenty percent of the applicant's original student loan. Upon completing a third year of  
30 service, as required by the contract, the veterinarian is eligible to receive a loan payment in an  
31 amount equaling thirty percent of the applicant's original student loan. Upon completing a

1 fourth year of service, as required by the contract, the veterinarian is eligible to receive a loan  
2 payment in an amount equaling thirty percent of the applicant's original student loan. All  
3 payments under this section must be made to the issuer of the student loan. No individual may  
4 receive more than eighty thousand dollars under this section. If an individual fails to complete  
5 an entire year of service, the amount repayable under this section for that year must be  
6 prorated.

7 **43-29.1-08. Gifts, grants, and donations - Continuing appropriation.** The state  
8 health council may accept any conditional or unconditional gifts, grants, or donations for the  
9 purpose of providing funds for the repayment of veterinarians' education loans. If an entity  
10 desires to provide funds to the state health council to allow an expansion of the program  
11 beyond the three veterinarians contemplated by this chapter, the entity shall commit to fund  
12 fully the expansion for a period of four years. The state health council may contract with a  
13 public or private entity and may expend any moneys available to the council to obtain matching  
14 funds for the purposes of this chapter. All moneys received as gifts, grants, or donations under  
15 this section are appropriated as a continuing appropriation to the state health council for the  
16 purpose of providing funds for the repayment of additional veterinarians' education loans.

17 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the  
18 general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much  
19 of the sum as may be necessary, to the state health council for the purpose of providing loan  
20 repayment programs for optometrists and veterinarians, for the biennium beginning July 1,  
21 2007, and ending June 30, 2009.