

HOUSE BILL NO. 860

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A VETERINARY TRAINING LOAN PROGRAM; PROVIDING THAT THE LOAN PROGRAM PROVIDES LOANS TO VETERINARY STUDENTS WHO COMMIT TO PRACTICING IN UNDERSERVED AREAS IN MONTANA; PROVIDING PROGRAM REQUIREMENTS, INCLUDING A PREFERENCE FOR APPLICANTS WHO ARE MONTANA RESIDENTS; PROVIDING FOR REPAYMENT OF THE LOAN IF THE PARTICIPANT DOES NOT FULFILL THE PROGRAM REQUIREMENTS; PROVIDING THAT A FORGIVEN LOAN IS NOT CONSIDERED INCOME FOR INCOME TAX PURPOSES; PROVIDING AN APPROPRIATION; PROVIDING DEFINITIONS; ESTABLISHING REPORTING REQUIREMENTS; AMENDING SECTION 15-30-2120, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 10] may be cited as the "Rural Montana Veterinary Workforce Act".

NEW SECTION. **Section 2. Purpose.** The purpose of [sections 1 through 10] is to establish a veterinary training program for underserved areas in rural Montana. The program provides incentives for students pursuing a doctor of veterinary medicine program to locate their veterinary practice in rural Montana communities and to meet the needs of those owning animals in underserved areas.

NEW SECTION. **Section 3. Definitions.** As used in [sections 1 through 10], unless the context clearly indicates otherwise, the following definitions apply:

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(1) "Accredited college of veterinary medicine" means a veterinary medicine program at an institution of higher education accredited by the American veterinary medical association council on education.

(2) "Advisory committee" means the veterinary training loan program advisory committee provided for in [section 9].

(3) "Commissioner" means the commissioner of higher education provided for in Article X, section 9, of the Montana constitution and 2-15-1506.

(4) "Loan" means a loan provided to a participant of the veterinary training loan program.

(5) "Loan program" means the veterinary training loan program provided for in [sections 1 through 10].

(6) "Participant" means an individual selected by the commissioner to participate in the veterinary training loan program.

(7) "Program agreement" means an agreement pursuant to [section 6] entered into by a participant in the veterinary training loan program

(8) "Underserved area" means an area within the state established by the commissioner pursuant to [section 8(1)] with a demonstrated veterinarian shortage or that has been unsuccessful in recruiting and retaining the services of licensed veterinarians.

NEW SECTION. Section 4. Veterinary training loan program -- eligibility. (1) There is a veterinary training loan program as provided in [sections 1 through 10] for students enrolled in a veterinary medicine degree program who commit to practice in an underserved area. The commissioner shall administer the loan program.

(2) To qualify for the loan program, a student must:

(a) be enrolled in an accredited college of veterinary medicine;

(b) have successfully fulfilled the course requirements for at least one term of instruction and be in good standing at an accredited college of veterinary medicine; and

(c) certify at the time of application that the student has not defaulted on any education loans.

(3) Preference must be given to students who are Montana residents. It is the intent of the legislature that the commissioner apply the board of regents' ~~residency~~ policy regarding the residency of

1 students participating in a professional student exchange program to determine if an applicant is a Montana
2 resident for the purposes of the preference established in this subsection.

3
4 **NEW SECTION. Section 5. Veterinary training loan program -- limits -- payment required.** (1)

5 The commissioner shall select, in consultation with the advisory committee provided for in [section 9], not more
6 than four new students to participate in the loan program each year. Once enrolled, a participant may receive a
7 loan for each year that the participant continues to meet the requirements of the loan program.

8 (2) Each participant may receive a total loan not to exceed \$100,000 as follows:

9 (a) a maximum of \$25,000 each year for a student enrolled in a 4-year degree program
10 culminating in a doctor of veterinary medicine or equivalent degree; or

11 (b) a maximum of ~~\$33,000~~ \$33,333 each year for a student enrolled in a 3-year degree program
12 culminating in a doctor of veterinary medicine or equivalent degree.

13 (3) A participant shall request a loan payment following the completion of each academic year and
14 provide an academic progress report documenting the participant's good standing and progression. The
15 commissioner shall pay the loan upon the request of the participant and a showing of good standing and
16 progression.

17
18 **NEW SECTION. Section 6. Program agreement.** (1) Each student selected as a program participant
19 shall enter into a program agreement with the commissioner that includes a commitment to:

20 (a) complete all curriculum requirements to obtain a doctor of veterinary medicine degree or its
21 equivalent;

22 (b) obtain and maintain the license necessary to practice veterinary medicine in Montana;

23 (c) engage in full-time practice of veterinary medicine in an underserved area for 4 years in
24 Montana; and

25 (d) begin the full-time practice of veterinary medicine in an underserved area within 180 days after
26 completion of:

27 (i) the doctor of veterinary medicine or equivalent program degree; or

28 (ii) a postdegree training program, such as an internship, a residency, or additional graduate

1 studies.

2 (2) If a participant fails to complete the degree requirements to earn a doctor of veterinary
3 medicine degree, the commissioner shall secure recovery of loan payments made to the participant plus
4 interest, late fees, and collection costs. The program agreement must outline the repayment requirements if the
5 participant fails to meet the requirements of the program agreement. The repayment requirements must provide
6 for payment of the loan within 10 years from the date of entering into the program agreement.

7 (3) The rate of interest on a loan may not exceed 8% annually.

8 (4) A program agreement may specify a period of postponement of the program agreement or
9 criteria for postponing the program agreement.

10

11 **NEW SECTION. Section 7. Loan forgiveness and repayment.** (1) For each period of 12
12 consecutive months that the participant practices veterinary medicine full time in an underserved area, a
13 participant must receive loan forgiveness equal to one-quarter of the participant's total loan amount.

14 (2) Except as provided in subsections (3) through (5), if a participant fails to meet the requirements
15 of the program agreement provided for in [section 6], the participant shall repay, within 10 years from the date
16 of entering into the program agreement, the amount of the loan not forgiven pursuant to subsection (1) plus
17 interest, late fees, and costs associated with collection efforts. The rate of interest on a loan may not exceed
18 8% annually. The amount due must be prorated based on the amount of time the participant practiced
19 veterinary medicine full time in an underserved area.

20 (3) If a location is no longer considered an underserved area after a participant entered into the
21 program agreement, a participant who continues to practice in the former underserved area is eligible for loan
22 forgiveness if the other requirements of the program agreement are met.

23 (4) The requirements of a program agreement must be postponed at the request of the participant
24 during:

25 (a) a period of temporary medical disability during which the participant is unable to practice
26 veterinary medicine; or

27 (b) a period of postponement agreed to or determined in accordance with criteria included in the
28 program agreement.

(5) The repayment provisions of subsection (2) do not apply and a loan must be forgiven if:

(a) the participant is unable to practice veterinary medicine due to permanent disability; or

(b) the participant dies.

(6) A loan repaid pursuant to this section must be deposited in ~~the general fund~~ a state special revenue account to the credit of the veterinary training loan program. Any funds in the state special revenue account must be transferred to the general fund at the end of each fiscal year.

NEW SECTION. Section 8. Administration of veterinary training loan program. The commissioner shall:

(1) establish procedures for initially determining and periodically updating underserved areas;

(2) establish application and selection processes and timelines;

(3) to the extent possible seek to replicate relevant processes used to administer the Montana rural physician incentive program provided for in 20-26-1503;

(4) adopt policies and procedures for the administration of the veterinary training loan program consistent with [sections 1 through 10]; and

(5) select students for the loan program in consultation with the advisory committee provided for in [section 9] by giving preference to applicants who are Montana residents and who agree to practice in an underserved area and by considering the following:

(a) an applicant's ability and willingness to practice in an underserved area; and

(b) an applicant's date of availability to begin practicing in an underserved area.

NEW SECTION. Section 9. Advisory committee. (1) There is a veterinary training loan program advisory committee attached to the office of the commissioner of higher education for administrative purposes only as described in 2-15-121. The purpose of the advisory committee is to provide input to the commissioner on the veterinary training loan program provided for in [sections 1 through 10].

(2) The advisory committee is composed of the following members:

(a) a representative of the board of livestock appointed by the presiding officer of the board of livestock;

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(b) a representative from the Montana state university department of animal and range sciences appointed by the head of the department;

(c) a representative from a school of veterinary medicine in Montana appointed by the governor;

(d) a representative from the livestock industry appointed by the governor;

(e) a representative of the Montana department of labor and industry with a background in

workforce development in rural areas appointed by the ~~director~~commissioner of the Montana department of labor and industry;

(f) a veterinarian licensed and practicing in Montana appointed by governor; and

(g) a member of the public appointed by the governor.

(3) The public members of the advisory committee shall serve 3-year terms. The initial appointments may specify a shorter length of the initial term in order to stagger the terms. Vacancies must be filled for the balance of an unexpired term in the same manner as the initial appointment. A member of the committee may be reappointed.

(4) The public members of the committee shall serve without compensation but may be reimbursed as provided in 2-18-501 through 2-18-503, subject to available funding.

(5) The advisory committee shall:

(a) advise the commissioner on matters related to the loan program;

(b) provide input to the commissioner regarding underserved areas in Montana; and

(c) make recommendations to the commissioner on the selection of students for the loan program.

NEW SECTION. Section 10. Report to legislature. The commissioner shall report biennially, in accordance with 5-11-210, to the economic affairs interim committee and the education interim committee on the veterinary training loan program. The report must include the following information:

(1) the selection, progress, and retention of students and practicing participants;

(2) changes to the areas qualifying as underserved areas; and

(3) how the level of veterinary services is affected by the loan program.

Section 11. Section 15-30-2120, MCA, is amended to read:

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1 remained a resident after receiving military pension or military retirement income;
2 (b) may only be claimed for 5 consecutive years after satisfying the provisions of subsection (9)(a);
3 and
4 (c) are not available if a taxpayer claimed the exemption before becoming a nonresident.
5 (Subsection (3)(o) terminates June 30, 2025--sec. 10, Ch. 47, L. 2023; subsections (3)(n), (8), and (9) terminate
6 December 31, 2033--sec. 4, Ch. 650, L. 2023.)"

7
8 **NEW SECTION. Section 12. Appropriation.** (1) There is appropriated \$425,000 from the general
9 fund to the commissioner of higher education for the biennium beginning July 1, 2025, for the veterinary training
10 loan program provided for in [sections 1 through 10].

11 (2) The legislature intends that the appropriation in this section be considered part of the ongoing
12 base for the next legislative session.

13
14 **NEW SECTION. Section 13. Codification instruction.** [Sections 1 through 10] are intended to be
15 codified as a new part in Title 20, chapter 26, and the provisions of Title 20, chapter 26, apply to [sections 1
16 through 10].

17
18 **NEW SECTION. Section 14. Effective date.** [This act] is effective July 1, 2025.

19
20 **NEW SECTION. Section 15. Termination.** [This act] terminates June 30, 2035.

21 - END -