

## **BILL ANALYSIS**

Senate Research Center  
81R13750 BEF-D

C.S.S.B. 1667  
By: Estes  
Agriculture & Rural Affairs  
4/17/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

According to a May 2007, report by Texas A&M University Agriculture and Food Policy Center, the Texas deer breeding industry contributes \$652 million to the Texas economy including supporting 7,335 jobs in Texas, most of which are in rural areas. The Texas Parks and Wildlife Department reported in November 2008, that there were 1,094 deer breeder permittees who own 1,156 breeder facilities in Texas with approximately 70,701 breeder deer in facilities located across the state.

Breeders invest considerable time, effort, and money in caring for these animals, including required routine testing and health maintenance. Reasonable access to veterinary care is crucial for the continued maintenance and health of their animals and to supporting this growing industry. Many farmers, ranchers, and cattlemen have highlighted the need for more rural large animal veterinarians in rural areas. Since the growth of the Texas deer breeding industry, the need has extended to include large animal practitioners who are familiar with deer medicine needs and protocols.

C.S.S.B. 1667 creates the Rural Veterinarian Loan Repayment Program as an additional program administered by the Office of Rural Community Affairs to provide loan repayment assistance to veterinarians who agree to practice veterinary medicine on livestock or deer in a designated rural area.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the board of the Office of Rural Community Affairs in SECTION 4 (Section 487A.058, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 487, Government Code, by adding Section 487.003, as follows:

Sec. 487.003. REFERENCES. Defines "this chapter."

SECTION 2. Amends Section 487.558(b), Government Code, to provide that the permanent endowment fund for the rural communities health care investment program (fund) is composed of certain funds, including amounts recovered under Section 487A.055(c). Makes nonsubstantive changes.

SECTION 3. Amends Section 487.559(f), Government Code, to authorize the amount available for distribution from the fund, including any gift or grant, to be appropriated only for providing stipends and loan reimbursement under the programs authorized by this subchapter, for providing loan repayment assistance under Subchapter A, Chapter 487A, and to pay the expenses of managing the fund. Requires that one-half of the amount available for distribution from the fund not used to pay the expenses of managing the fund be appropriated for programs authorized by this subchapter and one-half be appropriated for providing loan repayment assistance under Subchapter A, Chapter 487A.

SECTION 4. Amends Subtitle F, Title 4, Government Code, by adding Chapter 487A, as follows:

CHAPTER 487A. ADDITIONAL PROGRAMS ADMINISTERED BY OFFICE OF RURAL  
COMMUNITY AFFAIRS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 487A.001. DEFINITIONS. Provides that the definitions in Chapter 487 apply to this chapter.

[Reserves Sections 487A.002-487A.050 for expansion.]

SUBCHAPTER B. RURAL VETERINARIAN LOAN REPAYMENT PROGRAM

Sec. 487A.051. DEFINITION. Defines "designated rural area."

Sec. 487A.052. LOAN REPAYMENT PROGRAM. (a) Requires the Office of Rural Community Affairs (ORCA), in accordance with this subchapter and rules adopted by the board of ORCA (board), to establish and administer a program to provide loan repayment assistance to veterinarians who agree to practice veterinary medicine on livestock or deer in a designated rural area.

(b) Authorizes the board to provide repayment assistance to a veterinarian for up to four years. Requires the board to determine the amount of repayment assistance to provide each year.

Sec. 487A.053. ELIGIBILITY. Requires a veterinarian, to be eligible to receive loan repayment assistance under this subchapter, to apply to ORCA, be licensed to practice veterinary medicine in this state, and enter into an agreement with ORCA as provided by Section 487A.055.

Sec. 487A.054. ELIGIBLE LOANS. (a) Authorizes ORCA to provide repayment assistance for the repayment of any education loan received by the veterinarian through any lender for education at any veterinary school that awards a degree that satisfies the veterinary study requirements to obtain a license to practice veterinary medicine in this state.

(b) Prohibits ORCA from providing repayment assistance for an education loan that is in default at the time of the veterinarian's application.

Sec. 487A.055. AGREEMENT REQUIREMENTS. (a) Requires a person, to qualify for loan repayment assistance under this section, to enter into a written agreement with ORCA as provided by this section. Requires that the agreement specify the conditions the person is required to satisfy to receive repayment assistance, require the person to practice veterinary medicine on livestock or deer for one full year in a designated rural area for each year the person receives loan repayment assistance under this subchapter; provide that any repayment assistance the person receives under this subchapter constitutes a loan until the person completes the year of practice and satisfies other applicable conditions of the agreement; and require the person to sign a promissory note acknowledging the conditional nature of the repayment assistance received and promising to repay the amount of that assistance plus applicable interest and reasonable collection costs if the person does not satisfy the applicable conditions.

(b) Requires ORCA to determine the terms of the promissory note required by Subsection (a)(4) (relating to the requirement that the person sign a promissory note acknowledging the conditions of the loan repayment assistance). Requires that the terms, to the extent practicable, be the same as those applicable to state or federally guaranteed student loans made at the same time.

(c) Requires that amounts recovered under a promissory note required by Subsection (a)(4) be deposited in the fund under Section 487.558 (Permanent Endowment Fund).

Sec. 487A.056. REPAYMENT. (a) Requires ORCA to deliver any repayment assistance made under this subchapter in a lump sum payable to the lender and the veterinarian and in accordance with any applicable federal law.

(b) Authorizes loan repayment assistance received under this subchapter to be applied to the principal amount of the loan and to interest that accrues.

Sec. 487A.057. GRANTS, GIFTS, AND DONATIONS. (a) Authorizes ORCA, in addition to funds appropriated by the legislature, to solicit and accept grants, gifts, and donations from any public or private source for the purposes of this subchapter.

(b) Requires that gifts and grants received under this section be deposited in the fund under Section 487.558.

Sec. 487A.058. RULES. (a) Requires the board to adopt rules necessary to administer this subchapter.

(b) Requires ORCA to distribute to each veterinary school in this state a copy of the rules adopted under this section.

SECTION 5. Requires the board to adopt rules for the rural veterinarian loan repayment program under Subchapter B, Chapter 487A, Government Code, as added by this Act, not later than December 31, 2009.

SECTION 6. Effective date: upon passage or September 1, 2009.