

[First Reprint]

ASSEMBLY, No. 5117

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 10, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

SYNOPSIS

Provides loan redemption for certain veterinarians who work at approved site for five years; annually appropriates \$500,000.

CURRENT VERSION OF TEXT

As reported by the Assembly Agriculture Committee on June 9, 2021, with amendments.



(Sponsorship Updated As Of: 6/1/2021)

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2

1 AN ACT concerning loan redemption for certain veterinarians and
2 supplementing chapter 71C of Title 18A of the New Jersey
3 Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. ¹a.¹ There is established a Veterinary Medicine Loan
9 Redemption Program within the Higher Education Student Assistance
10 Authority to provide for the redemption of eligible qualifying loan
11 expenses of program participants who work in the State for five years
12 of service at an approved site in the State.

13 ¹b. The Secretary of Agriculture, in consultation with the New
14 Jersey Horse Council, the New Jersey Association of Equine
15 Practitioners, and the New Jersey Farm Bureau, shall annually
16 establish a list of State designated veterinary underserved areas. The
17 Secretary of Agriculture shall transmit the list of State designated
18 veterinary underserved areas to the authority by January 1 of each
19 year, except that the first list shall be transmitted not later than 90 days
20 after the effective date of this act.¹

21
22 2. As used in this act:

23 "Approved site" means a site located within a State designated
24 veterinary underserved area or within five miles of a State designated
25 veterinary underserved area.

26 "Authority" means the Higher Education Student Assistance
27 Authority.

28 "Eligible qualifying loan expenses" means the cumulative
29 outstanding balance of student loans covering the cost of attendance in
30 an undergraduate degree program of an institution of higher education
31 and a graduate degree program of an accredited school of veterinary
32 medicine, including the following: tuition; educational expenses and
33 fees; and room and board. Interest paid or due on qualifying loans that
34 an applicant has taken out for use in paying the cost of attendance in
35 an undergraduate degree program of an institution of higher education
36 and a graduate degree program of an accredited school of veterinary
37 medicine shall be considered ¹an¹ eligible ¹qualifying loan expense¹
38 for reimbursement under the program.

39 "Executive director" means the executive director of the Higher
40 Education Student Assistance Authority.

41 "Full-time" means a minimum of 40 hours per week for a
42 minimum of 45 weeks per year.

43 "Half-time" means a minimum of 20 hours per week, not to exceed
44 39 hours per week, for a minimum of 45 weeks per year.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAN committee amendments adopted June 9, 2021.

1 ¹"Loan redemption benefits" mean any benefits provided to a
2 program participant under the Veterinary Medicine Loan Redemption
3 Program established pursuant to this act.¹

4 ¹**["Program"]** "Loan redemption program" or "program"¹ means
5 the Veterinary Medicine Loan Redemption Program established
6 pursuant to this act.

7 "Program participant" means a veterinarian who contracts with the
8 authority to engage in the practice of veterinary medicine, a majority
9 of which activity is dedicated to the protection and enhancement of
10 large animal health and productivity, at an approved site in exchange
11 for the redemption of eligible qualifying loan expenses provided under
12 the program.

13 "State designated veterinary underserved area" means a geographic
14 area designated in this State by the Secretary of Agriculture ¹**],** in
15 consultation with the New Jersey Horse Council, the New Jersey
16 Association of Equine Practitioners, and the New Jersey Farm
17 Bureau,**]** pursuant to subsection b. of section 1 of this act,¹ on the
18 basis of a large animal veterinarian shortage affecting the area. ¹**[The**
19 **Secretary of Agriculture shall annually establish a list of State**
20 **designated veterinary underserved areas. The Secretary of Agriculture**
21 **shall transmit the list of State designated veterinary underserved areas**
22 **to the authority by January 1 of each year, except that the first list shall**
23 **be transmitted not later than 90 days after the effective date of this**
24 **act.]**¹

25 "Total and permanent disability" means a physical or mental
26 disability that is expected to continue indefinitely or result in death and
27 renders a participant in the program unable to perform that person's
28 service obligation, as determined by the executive director or the
29 executive director's designee.

30

31 3. To be eligible to participate in the program, a program
32 participant shall:

- 33 a. be a resident of the State;
- 34 b. be a graduate of an accredited school of veterinary medicine
35 approved by the State Board of Veterinary Medical Examiners for
36 the purpose of licensure and receive a recommendation from the
37 school's veterinary medicine staff concerning participation in the
38 loan redemption program;
- 39 c. be a veterinarian licensed to practice in this State; and
- 40 d. agree to practice at an approved site.

41 Nothing in this section shall prohibit a program participant from
42 initiating the program's application process and identifying and
43 committing to employment at an approved site prior to the
44 establishment of State residency or being issued a State veterinary
45 license.

46

47 4. a. In administering the program, the authority or its
48 designated agent shall contract only with a veterinarian.

1 b. The contract shall require a program participant to serve at
 2 least a five-year period at an approved site in the full-time or half-
 3 time service of a veterinary medicine practice, of which a majority
 4 of the service at that practice is dedicated to the protection and
 5 enhancement of large animal health and productivity.

6 c. The contract shall also specify the applicant's dates of
 7 required service, the total amount of eligible qualifying loan
 8 expenses to be redeemed by the State in return for service, and the
 9 schedule of payments for the term of the contract.

10
 11 5. 1a. Maximum redemption of a loan under the loan redemption
 12 program shall be 100 percent of the eligible qualifying loan expenses
 13 for full-time service and 50 percent of the eligible qualifying loan
 14 expenses for half-time service in return for five years of service 1at an
 15 approved site¹, except that the amount of 1eligible¹ qualifying
 16 1[loans] expenses¹ which may be redeemed for a participant under the
 17 program shall not exceed \$20,000 in any year for full-time service or
 18 \$10,000 in any year for half-time service. No amount of eligible
 19 qualifying loan expenses shall be redeemed for services performed for
 20 less than a full year. 1[The loan redemption]

21 b. The principal and interest that are eligible qualifying loan
 22 expenses¹ shall be reimbursed as follows:

23 1[a.] (1)¹ with respect to full-time service 1[;]

24 [(1)] (a)¹ first year of service, 12 percent of principal and interest
 25 1[;

26 (2)]¹;

27 (b)¹ second year of service, 20 percent of principal and interest 1[;

28 (3)]¹;

29 (c)¹ third year of service, 20 percent of principal and interest 1[;

30 (3)]¹;

31 (d)¹ fourth year of service, 24 percent of principal and interest 1[;]

32 1 and

33 1[(5)] (e)¹ fifth year of service, 24 percent of principal and
 34 interest; and

35 1[b.] (2)¹ with respect to half-time service 1[;

36 (1)] (a)¹ first year of service, six percent of principal and interest
 37 1[;

38 (2)]¹;

39 (b)¹ second year of service, 10 percent of principal and interest 1[;

40 (3)]¹;

41 (c)¹ third year of service, 10 percent of principal and interest 1[;

42 (4)]¹;

43 (d)¹ fourth year of service, 12 percent of principal and interest 1[;]

44 1 and

45 1[(5)] (e)¹ fifth year of service, 12 percent of principal and
 46 interest.

1 6. The executive director or the executive director's designee,
2 in consultation with the Secretary of Agriculture, shall match
3 program participants to State designated veterinary underserved
4 areas. Nothing in this section shall prohibit a program applicant or
5 participant from identifying an approved site for consideration and
6 ¹[approval of] designation as a State designated veterinary
7 underserved area under¹ the program.
8

9 7. The executive director or the executive director's designee
10 shall select the program participants from among those applicants
11 who meet the eligibility criteria established pursuant to section 3 of
12 this act, subject to available funds and available approved sites.
13 The executive director or the executive director's designee shall
14 accord priority to applicants in the following manner:

15 a. first, to any applicant who is willing to fill openings at an
16 approved site with the most significant veterinary medicine
17 shortages;

18 b. second, to any applicant whose residence in the State at the
19 time of initiating application was within a State designated
20 veterinary underserved area or within five miles of a State
21 designated veterinary underserved area; and

22 c. third, to any applicant who graduated from a high school or
23 institution of higher education located in New Jersey.

24 In the event that there are more applicants who have the same
25 priority than there are program positions, the executive director or
26 the executive director's designee shall select program participants
27 by means of a lottery or other form of random selection.
28

29 8. a. A program participant, as a condition of participation,
30 shall be required to adhere to performance standards established by
31 the executive director or the executive director's designee.

32 b. The standards shall include, but not be limited to,
33 requirements that a participant:

34 (1) maintain residency in the State;

35 (2) maintain a license or certification to practice veterinary
36 medicine in the State;

37 (3) remain current with payments on student loans;

38 (4) enter into a mutually acceptable contract with an approved
39 site;

40 (5) maintain satisfactory performance of services rendered at an
41 approved site; and

42 (6) report to the authority or its designee, on a form and in a
43 manner prescribed by the authority or its designee, on the program
44 participant's performance of services rendered at an approved site
45 prior to repayment of the annual amount eligible for redemption.
46

47 9. A program participant who has previously entered into a
48 contract with the authority may nullify the agreement by notifying
49 the authority in writing and reassuming full responsibility for the

1 remaining outstanding balance of the loan debt. In no event shall
2 service at an approved site for less than the full calendar year of
3 each period of service entitle the program participant to any benefits
4 under the program. A program participant seeking to nullify the
5 contract before completing the fifth full year of service shall be
6 required to pay 50 percent of the redeemed portion of indebtedness
7 in not more than one year following nullification of the agreement.

8
9 10. In the case of a program participant's death or total and
10 permanent disability, the authority or its designee shall nullify the
11 service obligation of the program participant. The nullification
12 shall terminate the authority's obligations under the loan redemption
13 contract. In the event of a program participant's death or total and
14 permanent disability, the authority shall not require repayment of
15 the prior redeemed portion of indebtedness.

16
17 11. A person who knowingly or willfully furnishes any false or
18 misleading information for the purpose of receiving loan
19 redemption benefits under the program is guilty of a crime of the
20 fourth degree.

21
22 12. a. The executive director or the executive director's designee
23 is authorized to terminate the program participant's service in the
24 program in the case of:

25 (1) a program participant's conviction of a crime or an act of gross
26 negligence in the performance of service obligations;

27 (2) suspension or revocation of the program participant's license or
28 certification to practice; or

29 (3) a program participant's breach of the performance standards
30 established pursuant to section 8 of this act.

31 b. A program participant who fails to repay an amount due the
32 authority under the program may be subject to actions initiated by the
33 authority or its designee, which may include, but are not limited to
34 ¹【.】:

35 (1)¹ recovery of the amount due by an action brought in a court of
36 competent jurisdiction or through the offset of State tax refunds or
37 rebates ¹【.】;

38 (2)¹ making this information available to credit reporting agencies
39 ¹【, and】;

40 (3)¹ exclusion from eligibility for any student assistance benefits
41 administered by the authority ¹【, as well as】;

42 (4)¹ action by the federal government, to the extent that any loan
43 redemption benefits are federally funded, to recover any amount due it
44 as permitted by federal law.

45 ¹c.¹ In any action brought by the authority or its designee in a
46 court of competent jurisdiction pursuant to **【this】** subsection ¹b. of this
47 section¹, the program participant shall be liable for:

48 ¹(1)¹ the debt incurred ¹【.】;

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1 (2)¹ interest on the debt at the maximum legal prevailing rate as
2 determined by the United States Treasurer ¹[,] ;¹ and
3 ¹(3)¹ the administrative and court costs associated with collection
4 of the debt.

5
6 13. A veterinarian who is participating in the federally
7 administered Veterinary Medicine Loan Repayment Program,
8 ¹established pursuant to¹ section 1415a of the National Veterinary
9 Medical Services Act (7 U.S.C. s.3151a), shall not be eligible to
10 participate simultaneously in the Veterinary Medicine Loan
11 Redemption Program ¹[under] ¹established pursuant to¹ this act.

12
13 14. a. In Fiscal Year ¹[2022] ¹2023¹ and each fiscal year
14 thereafter, there is appropriated from the General Fund to the Higher
15 Education Student Assistance Authority the sum of \$500,000 to
16 effectuate the purposes of this act.

17 b. The Higher Education Student Assistance Authority shall
18 accept and use exclusively for the program any donation of monies
19 from private or nonprofit organizations.

20
21 15. This act shall take effect immediately and shall first apply to
22 Fiscal Year ¹[2020] ¹2022¹ , except that the Higher Education Student
23 Assistance Authority and the Secretary of Agriculture may take such
24 anticipatory administrative action in advance as shall be necessary for
25 the implementation of the act.