

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH PROFESSIONAL LOAN FORGIVENESS
5 PROGRAM; ESTABLISHING A STATUTORY APPROPRIATION FOR THE HEALTH PROFESSIONAL LOAN
6 FORGIVENESS PROGRAM; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 17-7-502, MCA, is amended to read:

11 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
12 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
13 need for a biennial legislative appropriation or budget amendment.

14 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
15 of the following provisions:

16 (a) The law containing the statutory authority must be listed in subsection (3).

17 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
18 appropriation is made as provided in this section.

19 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407;
20 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121;
21 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369;
22 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319;
23 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;
24 20-9-534; 20-9-622; [section 6]; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304;
25 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105;
26 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415;
27 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518;
28 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

29 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
30 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued

1 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
2 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
3 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
4 appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of
5 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L.
6 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's
7 unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates
8 July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion
9 of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202,
10 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005,
11 the inclusion of 15-31-906 terminates January 1, 2010.)"

12

13 **NEW SECTION. Section 2. Health professional loan forgiveness program.** There is a health
14 professional loan forgiveness program administered through the office of the commissioner of higher education.
15 The program must provide for the direct repayment of educational loans of eligible health professionals in
16 accordance with [sections 2 through 6].

17

18 **NEW SECTION. Section 3. Definitions.** For purposes of [sections 2 through 6], unless the context
19 requires otherwise, the following definitions apply:

20 (1) "Educational loans" means all loans made pursuant to a federal loan program, except federal PLUS
21 loans, as provided in 20 U.S.C. 1078-2.

22 (2) "Federal loan program" means educational loans authorized by 20 U.S.C. 1071, et seq., 20 U.S.C.
23 1087a, et seq., and 20 U.S.C. 1087aa, et seq.

24 (3) "Health professional" means a person who:

25 (a) resides in Montana;

26 (b) is licensed by the state to engage in the practice of medicine, dentistry, osteopathy, podiatry, or
27 optometry or a licensed practical nurse, registered nurse, or certified advanced practice registered nurse as
28 defined in 37-8-102; and

29 (c) practices a profession referred to in subsection (3)(b) in Montana.

30

1 **NEW SECTION. Section 4. Loan repayment assistance.** Loan repayment assistance may be provided
2 on behalf of a qualified health professional who has an educational loan, which is not in default, with a minimum
3 unpaid current balance of at least \$3,000 at the time of the application.

4
5 **NEW SECTION. Section 5. Loan repayment assistance documentation.** (1) A qualified health
6 professional shall submit an application for loan repayment assistance to the commissioner of higher education
7 in accordance with adopted policies and procedures. The application must include official verification or proof of
8 the applicant's total unpaid accumulated educational loan debt and other documentation required by the
9 commissioner of higher education that is necessary for verification of the applicant's eligibility.

10 (2) A qualified health professional is eligible for loan repayment assistance for up to a maximum of 3
11 consecutive years. The total annual loan repayment assistance for an eligible health professional may not exceed
12 \$3,000, and the total loan repayment assistance for an individual may not exceed \$9,000. The commissioner of
13 higher education may require an eligible health professional to provide documentation that the health professional
14 has exhausted repayment assistance from other federal, state, or local loan forgiveness, discharge, or repayment
15 incentive programs.

16 (3) The commissioner of higher education may remit payment of the loan on behalf of the qualified health
17 professional in accordance with the requirements of [sections 2 through 6] and policies and procedures adopted
18 by the commissioner of higher education.

19 (4) The commissioner of higher education shall provide loan repayment assistance to qualified applicants
20 in the order received. Loan repayment assistance may not exceed the amount of available funding. The
21 commissioner of higher education may use up to 3% of available funds for the administration of the loan
22 repayment assistance program.

23
24 **NEW SECTION. Section 6. Funding -- priorities.** (1) If the funding for [sections 2 through 6] in any
25 year is less than the total amount for which health professionals qualify, the commissioner of higher education
26 shall provide loan repayment assistance to qualified applicants in the order in which applications are received.

27 (2) [Sections 2 through 6] may not be construed to require the provisions of loan repayment assistance
28 without an express appropriation for that purpose. [Sections 2 through 6] may not be construed to require loan
29 repayment assistance for fiscal years prior to [the effective date of this act].

30 (3) Funding for the health professional loan forgiveness program is statutorily appropriated, as provided

1 in 17-7-502, from the general fund to the commissioner of higher education for distribution to qualified health
2 professionals in an amount not to exceed \$1 million each fiscal year.

3
4 NEW SECTION. Section 7. Codification instruction. [Sections 2 through 6] are intended to be codified
5 as an integral part of Title 20, chapter 26, and the provisions of Title 20, chapter 26, apply to [sections 2 through
6 6].

7
8 NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2007.

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