

**SENATE, No. 3338**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED JUNE 3, 2024

**Sponsored by:**

**Senator LATHAM TIVER**  
**District 8 (Atlantic and Burlington)**  
**Senator BRIAN P. STACK**  
**District 33 (Hudson)**

**Co-Sponsored by:**

**Senator Henry**

**SYNOPSIS**

Establishes veterinary medicine loan redemption program for certain veterinarians who work in underserved areas for five years; annually appropriates \$500,000.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/12/2024)**

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

13  
14 2. As used in this act:

15 "Approved site" means a site located within a State designated  
16 veterinary underserved area or within five miles of a State  
17 designated veterinary underserved area.

18 "Authority" means the Higher Education Student Assistance  
19 Authority.

20 "Eligible qualifying loan expenses" means the cumulative  
21 outstanding balance of student education loans, borrowed from a  
22 financial institution or a governmental or nonprofit agency that  
23 engages in student education loan lending, covering the cost of  
24 attendance in an undergraduate degree program of an institution of  
25 higher education and a graduate degree program of an accredited  
26 school of veterinary medicine, including the following: tuition;  
27 educational expenses and fees; and room and board. Interest paid  
28 or due on qualifying loans that an applicant has taken out for use in  
29 paying the cost of attendance in an undergraduate degree program  
30 of an institution of higher education and a graduate degree program  
31 of an accredited school of veterinary medicine shall be considered  
32 eligible for reimbursement under the program.

33 "Executive director" means the executive director of the Higher  
34 Education Student Assistance Authority.

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

37 "Large animal veterinary care" means a type of specialty  
38 veterinary care that focuses on the health and productivity of large  
39 animals and farm animals, exclusive of dogs and cats and inclusive  
40 of cows, horses, goats, pigs, chickens, sheep, and other livestock.

41 "Program" means the Veterinary Medicine Loan Redemption  
42 Program established pursuant to this act.

43 "Program participant" means a veterinarian who contracts with  
44 the authority to engage in the practice of veterinary medicine at an  
45 approved site in exchange for the redemption of eligible qualifying  
46 loan expenses provided under the program.

47 "State designated veterinary underserved area" means a  
48 geographic area designated in this State by the Secretary of

1 Agriculture, in consultation with the New Jersey Horse Council, the  
2 New Jersey Association of Equine Practitioners, the New Jersey  
3 Veterinary Medical Association, and the New Jersey Farm Bureau,  
4 on the basis of a large animal veterinarian shortage affecting the  
5 area. The secretary shall annually establish a list of State  
6 designated veterinary underserved areas and transmit the list of  
7 State designated veterinary underserved areas to the authority by  
8 January 1 of each year, except that the first list shall be transmitted  
9 not later than 90 days after the effective date of this act.

10 "Total and permanent disability" means a physical or mental  
11 disability that is expected to continue indefinitely or result in death  
12 and renders a participant in the program unable to perform that  
13 person's service obligation, as determined by the executive director  
14 or the executive director's designee.

15

16 3. a. To be eligible to participate in the program, a program  
17 participant shall be a:

18 (1) resident of the State; and

19 (2) veterinarian licensed, or eligible to be licensed, to practice in  
20 this State as a veterinarian.

21 b. Nothing in this section shall prohibit a program participant  
22 from initiating the program's application process and identifying  
23 and committing to employment at an approved site prior to the  
24 establishment of State residency or being issued a State veterinary  
25 license. Nothing in this section shall prohibit a program participant,  
26 who otherwise meets the eligibility requirements enumerated in  
27 subsection a. of this section, from initiating the program's  
28 application process if the applicant sufficiently demonstrates that  
29 the applicant intends to establish a veterinary practice that will  
30 qualify as an approved site.

31

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

34 b. The contract shall require a program participant to serve  
35 full-time for at least a five-year period at an approved site in the  
36 service of a veterinary medicine practice, of which at least one-third  
37 of the overall activity at that practice is dedicated to the protection  
38 and enhancement of large animal veterinary care. The contract shall  
39 also require that, in order to receive redemption of a loan under the  
40 loan program, a program participant dedicate no less than 75  
41 percent of the participant's work at the approved site to large  
42 animal veterinary care.

43 c. The contract shall specify the applicant's dates of required  
44 service, the total amount of eligible qualifying loan expenses to be  
45 redeemed by the State in return for service, and the schedule of  
46 payments for the term of the contract.

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1 5. a. Maximum redemption of a loan under the loan  
2 redemption program shall be 100 percent of the eligible qualifying  
3 loan expenses for full-time service for five years of service, except  
4 that the amount of qualifying loans which may be redeemed for a  
5 participant under the program shall not exceed \$30,000 in any year.

6 b. No amount of loan redemption shall be provided for service  
7 that is less than full-time and for service in which less than 75  
8 percent of the participant's work at an approved site is dedicated to  
9 large animal veterinary care. No amount of eligible qualifying loan  
10 expenses shall be redeemed for services performed for less than a  
11 full year.

12 c. The loan redemption shall be reimbursed as follows:

13 (1) first year of service, 12 percent of principal and interest;

14 (2) second year of service, 20 percent of principal and interest;

15 (3) third year of service, 20 percent of principal and interest;

16 (4) fourth year of service, 24 percent of principal and interest;

17 and

18 (5) fifth year of service, 24 percent of principal and interest.

19

20 6. The executive director or the executive director's designee,  
21 in consultation with the Secretary of Agriculture, shall match  
22 program participants to State designated veterinary underserved  
23 areas. Nothing in this section shall prohibit a program applicant or  
24 participant from identifying an approved site for consideration and  
25 approval of the program.

26

27 7. The executive director or the executive director's designee  
28 shall select the program participants from among those applicants  
29 who meet the eligibility criteria of the program, subject to available  
30 funds and available approved sites. The executive director or the  
31 executive director's designee shall accord priority to applicants in  
32 the following manner:

33 a. first, to any applicant who is willing to fill openings at an  
34 approved site with the most significant veterinary medicine  
35 shortages; and

36 b. second, to any applicant who graduated from a high school  
37 or institution of higher education located in New Jersey.

38 In the event that there are more applicants who have the same  
39 priority than there are program positions, the executive director or  
40 the executive director's designee shall select program participants  
41 by means of a lottery or other form of random selection.

42

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

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

48 (1) maintain residency in the State;

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- 1 (2) maintain a license to practice veterinary medicine in the  
2 State;  
3 (3) remain current with payments on student loans;  
4 (4) enter into a mutually acceptable contract with an approved  
5 site;  
6 (5) maintain satisfactory performance of services rendered at an  
7 approved site; and  
8 (6) report to the authority or its designee, on a form and in a  
9 manner prescribed by the authority or its designee, on the program  
10 participant's performance of services rendered at an approved site  
11 prior to repayment of the annual amount eligible for redemption.  
12

13 9. A program participant who has previously entered into a  
14 contract with the authority may nullify the agreement by notifying  
15 the authority in writing and reassuming full responsibility for the  
16 remaining outstanding balance of the loan debt. In no event shall  
17 service at an approved site for less than the full calendar year of  
18 each period of service entitle the program participant to any benefits  
19 under the program. A program participant seeking to nullify the  
20 contract before completing the fifth full year of service shall be  
21 required to pay 50 percent of the redeemed portion of indebtedness  
22 in not more than one year following nullification of the agreement.  
23

24 10. In the case of a program participant's death or total and  
25 permanent disability, the authority or its designee shall nullify the  
26 service obligation of the program participant. The nullification  
27 shall terminate the authority's obligations under the loan redemption  
28 contract. In the event of a program participant's death or total and  
29 permanent disability, the authority shall not require repayment of  
30 the prior redeemed portion of indebtedness.  
31

32 11. A person who knowingly or willfully furnishes any false or  
33 misleading information for the purpose of receiving loan  
34 redemption benefits under the program is guilty of a crime of the  
35 fourth degree.  
36

37 12. a. The executive director or the executive director's  
38 designee is authorized to terminate a program participant's service  
39 in the program in the case of:

- 40 (1) the program participant's conviction of a crime or an act of  
41 gross negligence in the performance of service obligations;  
42 (2) suspension or revocation of the program participant's license  
43 or certification to practice; or  
44 (3) the program participant's breach of the performance  
45 standards established pursuant to section 8 of this act.

46 b. A program participant who fails to repay an amount due the  
47 authority under the program may be subject to actions initiated by  
48 the authority or its designee, which may include, but are not limited

1 to, recovery of the amount due by an action brought in a court of  
2 competent jurisdiction or through the offset of State tax refunds or  
3 rebates, making this information available to credit reporting  
4 agencies, and exclusion from eligibility for any student assistance  
5 benefits administered by the authority, as well as action by the  
6 federal government, to the extent that any loan redemption benefits  
7 are federally funded, to recover any amount due it as permitted by  
8 federal law. In any action brought by the authority or its designee  
9 in a court of competent jurisdiction pursuant to this subsection, the  
10 program participant shall be liable for: the debt incurred, interest on  
11 the debt at the maximum legal prevailing rate as determined by the  
12 United States Treasurer, and the administrative and court costs  
13 associated with collection of the debt.

14

15 13. A veterinarian who is participating in the federally  
16 administered Veterinary Medicine Loan Repayment Program (7  
17 U.S.C. s.3151a) shall not be eligible to participate simultaneously in  
18 the program established under this act.

19

20 14. a. There is annually appropriated from the General Fund to  
21 the Higher Education Student Assistance Authority the sum of  
22 \$500,000 to effectuate the purposes of this act.

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

26

27 15. This act shall take effect immediately and shall first apply to  
28 the first full State fiscal year next following the date of enactment,  
29 except that the Higher Education Student Assistance Authority and  
30 the Secretary of Agriculture may take such anticipatory  
31 administrative action in advance as shall be necessary for the  
32 implementation of the act.

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#### STATEMENT

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37 This bill establishes a Veterinary Medicine Loan Redemption  
38 Program to address the current large animal veterinarian shortage in  
39 this State. The program will be administered by the Higher  
40 Education Student Assistance Authority (HESAA).

41 Specifically, the bill provides for redemption of eligible  
42 qualifying loan expenses for veterinarians who work for no less  
43 than five years at an approved site. An approved site is a site  
44 located within a State designated veterinary underserved area or  
45 within five miles of a State designated veterinary underserved area.  
46 The bill defines a State designated veterinary underserved area as a  
47 geographic area designated in this State by the Secretary of  
48 Agriculture, in consultation with the New Jersey Horse Council, the

1 New Jersey Association of Equine Practitioners, the New Jersey  
2 Veterinary Medical Association, and the New Jersey Farm Bureau,  
3 on the basis of a large animal veterinarian shortage affecting the  
4 area. The secretary is required to annually establish a list of State  
5 designated veterinary underserved areas and transmit that list to  
6 HESAA.

7 Program participants are required to be State residents and be a  
8 veterinarian licensed, or eligible to be licensed, to practice in this  
9 State, agree to practice at an approved site, and agree that the  
10 practice is full-time and that at least 75 percent of the participant's  
11 work is dedicated to large animal veterinary care. In return for this  
12 commitment, the program participant's eligible qualifying loan  
13 expenses will be reimbursed. Maximum loan redemption under the  
14 bill will equal 100 percent of the eligible qualifying loan expenses  
15 for full-time service in return for five years of service, except that  
16 the amount of qualifying loans which may be redeemed for a  
17 participant under the program is not to exceed \$30,000 in any year.  
18 Under the bill, no amount of loan redemption is to be provided for  
19 service performed by a program participant that is less than full-  
20 time and for service in which less than 75 percent of the  
21 participant's work at an approved site is dedicated to large animal  
22 veterinary care. No amount of eligible qualifying loan expenses is  
23 to be redeemed for services performed for less than a full year.

24 The bill provides that in the case of a program participant's death  
25 or total and permanent disability, HESAA will nullify the service  
26 obligation of the program participant. The nullification will also  
27 terminate HESAA's obligations under the loan redemption contract.  
28 In the event of a program participant's death or total and permanent  
29 disability, HESAA will not require repayment of the prior redeemed  
30 portion of indebtedness.

31 The bill provides that \$500,000 will be annually appropriated  
32 from the General Fund to HESAA for the Veterinary Medicine  
33 Loan Redemption Program.

34 Since New Jersey currently does not have its own veterinary  
35 medicine school, the provisions of this bill are intended to establish  
36 a cost-effective path to addressing the large animal veterinarian  
37 shortage by incentivizing veterinary school graduates to reside in  
38 the State and practice in areas of the State experiencing large  
39 animal veterinarian shortages.

40 From 1990 to 2007, the State provided for a "contract" program  
41 with veterinary schools in other states to "buy" seats reserved  
42 exclusively for New Jersey students. This program allowed New  
43 Jersey residents vying for seats at out-of-State veterinary schools to  
44 only compete against each other for those seats, not the entire  
45 population of applicants at large. The program also provided  
46 funding that permitted those students to attend the out-of-State  
47 veterinary schools at in-State tuition rates. However, this program

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1 resulted in residents leaving the State for veterinary school, with no  
2 promise that they would return to practice in New Jersey.  
3 Several other states have implemented veterinary loan  
4 redemption programs similar to the program established by this bill,  
5 including Arkansas, Georgia, Kansas, Minnesota, Missouri,  
6 Nebraska, Ohio, Texas, and Wyoming. The program established by  
7 this bill will incentivize residents of this State, who attend out-of-  
8 State veterinary schools, to return to New Jersey to perform  
9 services in a veterinary practice that is dedicated to large animal  
10 veterinary care, in exchange for a redemption of their veterinary  
11 school loans over a relatively short period of time. This program  
12 will provide enormous benefits for large animal owners living in  
13 areas of this State with a shortage of adequate veterinary medicine  
14 services. Additionally, this program will not penalize program  
15 participants with respect to tax liability. Under current federal and  
16 State law, amounts of student loan redemption, loan forgiveness, or  
17 loan cancellation are not considered income for purposes of  
18 taxation.