

Senate Bill 235

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes medical education loan program fund for new primary care physicians in Oregon. Establishes Primary Care Medical Education Loan Fund. Continuously appropriates moneys in fund to Oregon Student Assistance Commission for purposes of awarding medical education loans.

A BILL FOR AN ACT

1
2 Relating to medical education for primary care physicians; and appropriating money.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) In addition to any other financial aid provided by law, the Oregon Student**
5 **Assistance Commission may award loans to qualified applicants, from the Primary Care**
6 **Medical Education Loan Fund established under section 5 of this 2011 Act, to assist in fi-**
7 **naning the cost of a program of study leading to the degree of Doctor of Medicine or to the**
8 **degree of Doctor of Osteopathic Medicine. The commission may award loans under this sec-**
9 **tion in an amount equal to 50 percent of the medical school's standard tuition and fees.**

10 **(2) The commission shall:**

11 **(a) Develop criteria for the preparation of applications and procedures for the sub-**
12 **mission, evaluation, priority selection and award of loans provided for in sections 1 to 5 of**
13 **this 2011 Act.**

14 **(b) Determine the number and amount of loans and loan renewals; and**

15 **(c) Adopt rules necessary to implement sections 1 to 5 of this 2011 Act.**

16 **SECTION 2. (1) A person is eligible for a loan under section 1 of this 2011 Act if the**
17 **person is:**

18 **(a) A resident of this state;**

19 **(b) Accepted for enrollment or a student in good standing in the professional medical**
20 **program at an accredited medical school or accredited school of osteopathic medicine located**
21 **in the United States; and**

22 **(c) Willing to make a commitment to practice primary care medicine in this state.**

23 **(2) A person applying for a loan under section 1 of this 2011 Act shall:**

24 **(a) Submit an application to the Oregon Student Assistance Commission on a form pro-**
25 **vided by the commission; and**

26 **(b) Agree in writing to practice primary care medicine for five years in this state.**

27 **SECTION 3. A loan awarded under section 1 of this 2011 Act is renewable annually for**
28 **each year the student is enrolled in medical school or for a total of four years, whichever is**
29 **less. The Oregon Student Assistance Commission shall renew a loan upon application by the**
30 **recipient if the commission finds that the recipient:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (1) Has successfully completed the required work for the preceding academic year;
- 2 (2) Is a student in good standing; and
- 3 (3) Is a resident of this state.

4 **SECTION 4.** (1) A person receiving a loan under section 1 of this 2011 Act is not required
5 to repay the loan if the person practices primary care medicine in this state for five years.

6 (2) A person receiving a loan under section 1 of this 2011 Act who fails to complete the
7 required course of study shall repay the amount received to the Oregon Student Assistance
8 Commission plus 10 percent interest on the unpaid balance, accrued from the date the loan
9 was granted.

10 (3) A person receiving a loan under section 1 of this 2011 Act who completes the required
11 course of study but fails to fulfill the obligations required for the loan shall repay the amount
12 received to the commission plus 10 percent interest on the unpaid balance, accrued from the
13 date the loan was granted. Additionally, a penalty fee equal to 25 percent of the amount
14 received shall be assessed against the person. No interest accrues on the penalty.

15 (4) The commission shall deposit moneys received under this section into the Primary
16 Care Medical Education Loan Fund.

17 (5) The commission may waive any interest or penalty assessed under subsection (2) or
18 (3) of this section in cases of undue hardship.

19 **SECTION 5.** (1) The Primary Care Medical Education Loan Fund is established in the
20 State Treasury, separate and distinct from the General Fund. The Primary Care Medical
21 Education Loan Fund consists of moneys received by the Oregon Student Assistance Com-
22 mission from any public or private source for the purpose of awarding student loans as
23 provided in section 1 of this 2011 Act.

24 (2) Moneys in the Primary Care Medical Education Loan Fund may be invested in the
25 same manner as the Oregon Student Assistance Fund established under ORS 348.570. Inter-
26 est earned by the Primary Care Medical Education Loan Fund shall be credited to the fund.

27 (3) All moneys received by the Oregon Student Assistance Commission under section 4
28 of this 2011 Act, including repayments, interest and penalties, are continuously appropriated
29 to the Oregon Student Assistance Commission for the purpose of awarding loans under sec-
30 tion 1 of this 2011 Act.

31 **SECTION 6.** Section 7 of this 2011 Act is added to and made a part of ORS chapter 316.

32 **SECTION 7.** There shall be subtracted from federal taxable income the amount of a loan
33 from the Primary Care Medical Education Loan Fund that is not required to be repaid as
34 provided under section 4 of this 2011 Act.

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