

HOUSE BILL 1191

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2000 Regular Session
0lr1854
CF 0lr2680

By: **Delegates V. Jones, Guns, Conway, Bozman, Branch, Rawlings,
Nathan-Pulliam, Hecht, Hixson, Krysiak, Marriott, and Taylor**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Dentists - Student Financial Assistance**

3 FOR the purpose of requiring the State Scholarship Administration to assist in the
4 repayment of certain loans by certain dentists under the Loan Assistance
5 Repayment Program; requiring the Administration to provide additional debt
6 repayment assistance to certain dentists under the Program; requiring the
7 Comptroller to distribute certain funds to the Administration for a certain
8 purpose; providing that funds that are transferred to the Administration by the
9 Comptroller may not revert to the General Fund of the State; and generally
10 relating to debt repayment assistance for dentists under the Loan Assistance
11 Repayment Program.

12 BY repealing and reenacting, without amendments,
13 Article - Education
14 Section 18-1501 and 18-1503 through 18-1505
15 Annotated Code of Maryland
16 (1999 Replacement Volume)

17 BY repealing and reenacting, with amendments,
18 Article - Education
19 Section 18-1502
20 Annotated Code of Maryland
21 (1999 Replacement Volume)

22 BY repealing and reenacting, without amendments,
23 Article - Health Occupations
24 Section 4-207(a) and (b)
25 Annotated Code of Maryland
26 (1994 Replacement Volume and 1999 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article - Health Occupations

1 Section 4-207(c)
2 Annotated Code of Maryland
3 (1994 Replacement Volume and 1999 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That the Laws of Maryland read as follows:

6 **Article - Education**

7 18-1501.

8 (a) In this subtitle the following words have the meanings indicated.

9 (b) (1) "Eligible field of employment" means employment in the State by an
10 organization, institution, association, society, or corporation that is exempt from
11 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

12 (2) "Eligible field of employment" includes employment by the State or
13 any local government in the State, but does not include being employed as a judicial
14 clerk in any court.

15 (c) "Higher education loan" means any loan for undergraduate or graduate
16 study that is obtained for tuition, educational expenses or living expenses from:

17 (1) A college or university, government, or commercial source; or

18 (2) An organization, institution, association, society, or corporation that
19 is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.
20 18-1502.

21 (a) There is a program of loan assistance repayment in the State.

22 (b) Subject to the provisions of [subsection] SUBSECTIONS (c) AND (D) of this
23 section, the State Scholarship Administration shall assist in the repayment of the
24 amount of any higher education loan owed by an individual who:

25 (1) Receives a graduate, professional, or undergraduate degree from:

26 (i) A college or university in the State of Maryland; [or]

27 (ii) A school of medicine; OR

28 (III) A SCHOOL OF DENTISTRY;

29 (2) Obtains eligible employment;

30 (3) Receives an income that is less than the maximum eligible total
31 income levels established by the Administration, including any additional sources of
32 income; and

1 (4) Satisfies any other criteria established by the Administration.

2 (c) (1) Notwithstanding the provisions of subsection (b) of this section, the
3 Administration shall assist in the repayment of the amount of any higher education
4 loan owed by a physician who engages in primary care in the State or by a medical
5 resident specializing in primary care who agrees to practice for at least 2 years as a
6 primary care physician in a geographic area of the State that has been designated by
7 the Secretary of Health and Mental Hygiene as being medically underserved with the
8 funds transferred to the Administration by the Comptroller under § 14-207(c)(2)(i) of
9 the Health Occupations Article.

10 (2) A physician who engages in primary care is not precluded from
11 receiving assistance from the Administration under subsection (b) of this section.

12 (3) Any unspent portions of the money that is transferred to the
13 Administration for use under this section from the Physician Quality Assurance Fund
14 may not be transferred to or revert to the General Fund of the State, but shall remain
15 in the Fund maintained by the Administration to administer these programs to assist
16 physicians engaged in primary care as specified in paragraph (1) of this subsection.

17 (d) (1) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS
18 SECTION, THE ADMINISTRATION SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT
19 OF ANY HIGHER EDUCATION LOAN OWED BY A DENTIST WHO AGREES TO PRACTICE
20 FOR AT LEAST 2 YEARS AS A DENTIST IN A GEOGRAPHIC AREA OF THE STATE THAT
21 HAS BEEN DESIGNATED BY THE SECRETARY OF HEALTH AND MENTAL HYGIENE AS
22 BEING UNDERSERVED BY DENTISTS WITH THE FUNDS TRANSFERRED TO THE
23 ADMINISTRATION BY THE COMPTROLLER UNDER § 4-207(C)(2)(I) OF THE HEALTH
24 OCCUPATIONS ARTICLE.

25 (2) A DENTIST WHO ENGAGES IN DENTISTRY IS NOT PRECLUDED FROM
26 RECEIVING ASSISTANCE FROM THE ADMINISTRATION UNDER SUBSECTION (B) OF
27 THIS SECTION.

28 (3) ANY UNSPENT PORTIONS OF THE MONEY THAT IS TRANSFERRED TO
29 THE ADMINISTRATION FOR USE UNDER THIS SECTION FROM THE STATE BOARD OF
30 DENTAL EXAMINERS FUND MAY NOT BE TRANSFERRED TO OR REVERT TO THE
31 GENERAL FUND OF THE STATE, BUT SHALL REMAIN IN THE FUND MAINTAINED BY
32 THE ADMINISTRATION TO ADMINISTER THESE PROGRAMS TO ASSIST DENTISTS
33 ENGAGED IN DENTISTRY AS SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION.

34 (E) An applicant for assistance in the repayment of a commercial loan shall
35 demonstrate to the Administration that the commercial loan was used for tuition,
36 educational expenses, or living expenses for graduate or undergraduate study.

37 [(e)] (F) Assistance in the repayment of a loan from an entity set forth in §
38 18-1501(c)(2) of this subtitle shall require the approval of the Administration.

39 18-1503.

40 (a) The State Scholarship Administration shall adopt regulations to establish:

1 (1) The maximum starting income for eligibility in the Loan Assistance
2 Repayment Program;

3 (2) The maximum total income for eligibility in the Loan Assistance
4 Repayment Program, including any additional sources of income;

5 (3) That priority for participation in the Program shall be given to an
6 individual who:

7 (i) Graduated from an institution of higher education in the last 3
8 years;

9 (ii) Is a resident of the State;

10 (iii) Is employed on a full-time basis; and

11 (iv) Provides, as the principal part of the individual's employment,
12 legal services to low income residents in the State who cannot afford legal services,
13 nursing services in nursing shortage areas in the State as defined in § 18-802 of this
14 article, or other services in an eligible field of employment in which there is a
15 shortage of qualified practitioners to low income or underserved residents or areas of
16 the State;

17 (4) A limit on the total amount of assistance provided by the State
18 Scholarship Administration in repaying the loan of an eligible individual, based on
19 the individual's total income and outstanding higher education loan balance;

20 (5) A procedure and schedule for the payment of the amount of loan
21 assistance provided by the State Scholarship Administration to the eligible
22 individual; and

23 (6) An annual review of the eligibility of each individual participating in
24 the Program.

25 (b) The State Scholarship Administration shall adopt any other regulations
26 necessary to implement this subtitle.

27 18-1504.

28 (a) Funds for the Loan Assistance Repayment Program shall be provided on
29 an annual basis in the State budget.

30 (b) If a federal matching grant loan program furnishes professional services in
31 an eligible field of employment to low income or underserved residents of the State,
32 the Administration may apply not more than 50 percent of the funds provided in the
33 State budget for the Loan Assistance Repayment Program to the State's participation
34 in the federal program.

1 18-1505.

2 Subject to § 2-1246 of the State Government Article, the State Scholarship
3 Administration shall report to the General Assembly by January 1 of each year on the
4 implementation of the Loan Assistance Repayment Program.

5

Article - Health Occupations

6 4-207.

7 (a) There is a State Board of Dental Examiners Fund.

8 (b) (1) The Board may set reasonable fees for the issuance and renewal of
9 licenses and its other services.

10 (2) The fees charged shall be set so as to approximate the cost of
11 maintaining the Board.

12 (3) Funds to cover the compensation and expenses of the Board members
13 shall be generated by fees set under this section.

14 (c) (1) The Board shall pay all funds collected under this title to the
15 Comptroller of the State.

16 (2) The Comptroller shall distribute:

17 (I) 7 PERCENT OF THE FEES TO MAKE GRANTS UNDER THE LOAN
18 ASSISTANCE REPAYMENT PROGRAM UNDER § 18-1502(D) OF THE EDUCATION
19 ARTICLE TO DENTISTS WHO AGREE TO PRACTICE FOR AT LEAST 2 YEARS AS A
20 DENTIST IN A GEOGRAPHIC AREA OF THE STATE THAT HAS BEEN DESIGNATED BY
21 THE SECRETARY OF HEALTH AND MENTAL HYGIENE AS BEING UNDERSERVED BY
22 DENTISTS; AND

23 (II) THE BALANCE OF the fees to the State Board of Dental
24 Examiners Fund.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2000.