

HOUSE BILL NO. 974

INTRODUCED BY PECK, JERGESON, GRINDE, KADAS, SVRCEK,  
DRISCOLL, HARPER, L. NELSON, VAN VALKENBURG, NATHE,  
BIANCHI, JACOBSON, HOCKETT, MAZUREK, BLAYLOCK,  
WILLIAMS, GROSFIELD, DEVLIN, BRUSKI, KEATING, WEEDING,  
BACHINI, MERCER, STEPPLER,  
J. DEBRUYCKER, CRIPPEN, HAMMOND

IN THE HOUSE

MARCH 4, 1991                   INTRODUCED AND REFERRED TO COMMITTEE  
                                  ON HUMAN SERVICES & AGING.

                                  FIRST READING.

MARCH 6, 1991                   ON MOTION, ADDITIONAL SPONSORS ADDED.

MARCH 13, 1991                  COMMITTEE RECOMMEND BILL  
                                  DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 14, 1991                  PRINTING REPORT.

MARCH 16, 1991                  ON MOTION, CONSIDERATION PASSED.

MARCH 18, 1991                  ON MOTION, CONSIDERATION PASSED.

MARCH 19, 1991                  SECOND READING, DO PASS.

MARCH 20, 1991                  ENGROSSING REPORT.

MARCH 21, 1991                  THIRD READING, PASSED.  
                                  AYES, 99; NOES, 0.

                                  TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 22, 1991                  INTRODUCED AND REFERRED TO COMMITTEE  
                                  ON FINANCE & CLAIMS.

                                  FIRST READING.

MARCH 26, 1991                  COMMITTEE RECOMMEND BILL BE  
                                  CONCURRED IN. REPORT ADOPTED.

MARCH 28, 1991                  SECOND READING, CONCURRED IN.

APRIL 1, 1991                  THIRD READING, CONCURRED IN.  
                                  AYES, 47; NOES, 2.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 1, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *974*  
 2 INTRODUCED BY *Rock* *Durgerson* *Green* *Han* *Conover* *Kashner* *Swank*  
 3 *Drummond* *Harmon* *McLennan* *McKee* *Wing* *NATH* *magnum*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A RURAL *Bianchi*  
 5 PHYSICIAN INCENTIVE PROGRAM; CREATING A RURAL PHYSICIAN *Becker* *Smuck* *Kotary*  
 6 INCENTIVE TRUST FUND; PROVIDING FUNDING FOR THE RURAL *Walters* *MCCA* *Stapp* *Winters* *J. DeMunster*  
 7 PHYSICIAN INCENTIVE TRUST FUND; PROVIDING EDUCATIONAL DEBT  
 8 PAYMENT PROVISIONS FOR ELIGIBLE RURAL PHYSICIANS;  
 9 AUTHORIZING THE BOARD OF REGENTS OF HIGHER EDUCATION TO  
 10 CHARGE CERTAIN STUDENTS FEES FOR PURPOSES OF FUNDING THE  
 11 PROGRAM; STATUTORILY APPROPRIATING THE RURAL PHYSICIAN  
 12 INCENTIVE TRUST FUND TO THE BOARD OF REGENTS; AMENDING  
 13 SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND  
 14 AN APPLICABILITY DATE."

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 NEW SECTION. Section 1. Rural physician incentive  
 18 trust fund. There is a rural physician incentive expendable  
 19 trust fund in the state treasury. Money is payable into the  
 20 fund as provided in [section 2]. Income and earnings on the  
 21 fund must be redeposited in the fund. The fund must be  
 22 administered by the board of regents of higher education as  
 23 provided in [sections 1 through 4].

24 NEW SECTION. Section 2. Fee assessments -- deposits.  
 25 The board of regents of higher education may assess a fee to

1 students preparing to be physicians in the fields of  
 2 medicine or osteopathic medicine who are supported by the  
 3 state pursuant to an interstate compact for a professional  
 4 education program in those fields, as those fields are  
 5 defined by the compact. The fee may not exceed an amount  
 6 equal to 8% of the annual individual medicine support fee  
 7 paid by the state pursuant to 20-25-804. The fee must be  
 8 assessed by the board of regents and deposited in the rural  
 9 physician incentive trust fund established in [section 1].

10 NEW SECTION. Section 3. Use of rural physician  
 11 incentive trust fund. (1) The rural physician incentive  
 12 trust fund is statutorily appropriated, as provided in  
 13 17-7-502, to the board of regents of higher education to be  
 14 used to pay:

15 (a) the educational debts of rural physicians who  
 16 practice in medically underserved areas of the state that  
 17 demonstrate a need for assistance in physician recruitment;  
 18 and

19 (b) the expenses of administering the rural physician  
 20 incentive program. The expenses of administering the program  
 21 may not exceed 15% of the annual fees assessed pursuant to  
 22 [section 2].

23 (2) The board of regents shall establish procedures for  
 24 determining the areas of the state that qualify for  
 25 assistance in physician recruitment. An eligible area must

1 demonstrate that a physician shortage exists or that the  
2 area has been unsuccessful in recruiting physicians by other  
3 mechanisms.

4 (3) A physician from an area determined to be eligible  
5 under subsection (2) may apply to the board of regents for  
6 payment of an educational debt directly related to a  
7 professional school, as provided in subsection (4).  
8 Physicians who have paid the fee authorized in [section 2]  
9 must be given a preference over other applicants. To receive  
10 the educational debt payments, the physician shall sign an  
11 annual contract with the board of regents. The contract must  
12 provide that the physician is liable for the payments if the  
13 physician ceases to practice in the eligible area during the  
14 contract period.

15 (4) The maximum amount of educational debt payment that  
16 a rural physician may receive is \$30,000 over a 4-year  
17 period or a proportionally reduced amount for a shorter  
18 period.

19 (5) The amount contractually committed in a year may  
20 not exceed the annual amount deposited in the rural  
21 physician incentive trust fund.

22 **Section 4.** Section 17-7-502, MCA, is amended to read:

23 "17-7-502. **Statutory appropriations -- definition --**  
24 **requisites for validity.** (1) A statutory appropriation is an  
25 appropriation made by permanent law that authorizes spending

1 by a state agency without the need for a biennial  
2 legislative appropriation or budget amendment.

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

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

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

11 (3) The following laws are the only laws containing  
12 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
13 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
14 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;  
15 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;  
16 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;  
17 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
18 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;  
19 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016;  
20 23-5-1027; 27-12-206; 37-51-501; 39-71-2504; 53-6-150;  
21 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101;  
22 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136;  
23 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306;  
24 [section 3]; and section 13, House Bill No. 861, Laws of  
25 1985.

1       (4) There is a statutory appropriation to pay the  
2 principal, interest, premiums, and costs of issuing, paying,  
3 and securing all bonds, notes, or other obligations, as due,  
4 that have been authorized and issued pursuant to the laws of  
5 Montana. Agencies that have entered into agreements  
6 authorized by the laws of Montana to pay the state  
7 treasurer, for deposit in accordance with 17-2-101 through  
8 17-2-107, as determined by the state treasurer, an amount  
9 sufficient to pay the principal and interest as due on the  
10 bonds or notes have statutory appropriation authority for  
11 such payments. (In subsection (3), pursuant to sec. 10, Ch.  
12 664, L. 1987, the inclusion of 39-71-2504 terminates June  
13 30, 1991.)"

14       NEW SECTION. **Section 5.** Applicability. [This act]  
15 applies to students enrolling in a professional school on or  
16 after July 1, 1992.

17       NEW SECTION. **Section 6.** Effective date. [This act] is  
18 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0974, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act establishing a rural physician incentive program; creating a rural physician incentive trust fund; providing funding for the rural physician incentive trust fund; providing educational debt payment provisions for eligible rural physicians; authorizing the Board of Regents of Higher Education to charge certain students fees for purposes of funding the program; statutorily appropriating the rural physician incentive trust fund to the Board of Regents.

ASSUMPTIONS:

1. All students will pay the same fees regardless of whether they are in the WICHE (Western Interstate Cooperative for Higher Education) or WAMI (Washington, Alaska, Montana, Idaho) medical programs.
1. The per student rural incentive fee will be \$1,824 (8% of annual state support for WICHE) per year beginning with students enrolling in a professional school on or after July 1, 1992.
2. There will be 20 new medical students in FY92 and 23 new medical students in FY93 participating in the WICHE and WAMI programs. These students will continue in the program until graduation. Therefore, in FY92 fees will be received from 20 students; and in FY93 fees will be received from 43 students.
3. There will be six (6) eligible recipients in FY92 and an additional six (6) eligible recipients in FY93.
4. It will require 0.25 FTE (grade 12) to administer this project during FY92 and FY93.
5. 15% of the total amount of fees collected will be used for administration expenses. After funding personal services, any remaining balance will be used for operating expenses to determine eligible areas within the state and to develop promotional materials.

FISCAL IMPACT:

	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
FTE	0.00	0.25	0.25	0.00	0.25	0.25
Personal Services	0	5,472	5,472	0	6,100	6,100
Operating Costs	0	0	0	0	5,665	5,665
Benefits and Claims	0	30,000	30,000	0	60,000	60,000
Total	0	35,472	35,472	0	71,765	71,765
<u>Funding:</u>						
Expendable Trust Fund (08)	0	35,472	35,472	0	71,765	71,765
<u>Revenues Impact:</u>						
Rural Incentive Fees (08)	0	36,480	36,480	0	78,432	78,432

  
 ROD SUNDSTED, BUDGET DIRECTOR  
 Office of Budget and Program Planning  
 DATE 3-8-91

  
 RAY PECK, PRIMARY SPONSOR  
 DATE 3/9/91

Fiscal Note for HB0974, as introduced

HB974

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0974, as introduced, revised.

DESCRIPTION OF PROPOSED LEGISLATION:


An act establishing a rural physician incentive program; creating a rural physician incentive trust fund; providing funding for the rural physician incentive trust fund; providing educational debt payment provisions for eligible rural physicians; authorizing the Board of Regents of Higher Education to charge certain students fees for purposes of funding the program; statutorily appropriating the rural physician incentive trust fund to the Board of Regents.


ASSUMPTIONS:

1. All students will pay the same fees regardless of whether they are in the WICHE (Western Interstate Cooperative for Higher Education) or WAMI (Washington, Alaska, Montana, Idaho) medical programs.
1. The per student rural incentive fee will be \$1,824 (8% of annual state support for WICHE) per year beginning with students enrolling in a professional school on or after July 1, 1992.
2. There will be 23 new medical students in FY93 participating in the WICHE and WAMI programs. These students will continue in the program until graduation.
3. There will be six (6) eligible recipients in FY93.
4. It will require 0.25 FTE (grade 12) to administer this project during FY93.
5. 15% of the total amount of fees collected will be used for administration on expenses of the program.

FISCAL IMPACT:

	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
FTE	0.00	0.00	0.00	0.00	0.25	0.25
Personal Services	0	0	0	0	6,100	6,100
Operating Costs	0	0	0	0	192	192
Benefits and Claims	0	0	0	0	30,000	30,000
Total	0	0	0	0	36,292	36,292
<u>Funding:</u>						
Expendable Trust Fund (08)	0	0	0	0	0	0
<u>Revenues Impact:</u>						
Rural Incentive Fees (08)	0	0	0	0	41,952	41,952

  
ROD SUNDSTED, BUDGET DIRECTOR      3/12/91      DATE  
 Office of Budget and Program Planning

  
RAY PECK, PRIMARY SPONSOR      3/12/91      DATE

Fiscal Note for HB0974, as introduced, revised      **HB 974-2**  
 Rev.

APPROVED BY COMM. ON  
HUMAN SERVICES AND AGING

HOUSE BILL NO. 974

INTRODUCED BY PECK, JERGSON, GRINDE, KADAS, SVRCEK,  
DRISCOLL, HARPER, L. NELSON, VAN VALKENBURG, NATHE,  
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J. DEBRUYCKER, CRIPPEN, HAMMOND

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A RURAL  
PHYSICIAN INCENTIVE PROGRAM; CREATING A RURAL PHYSICIAN  
INCENTIVE TRUST FUND; PROVIDING FUNDING FOR THE RURAL  
PHYSICIAN INCENTIVE TRUST FUND; PROVIDING EDUCATIONAL DEBT  
PAYMENT PROVISIONS FOR ELIGIBLE RURAL PHYSICIANS;  
AUTHORIZING THE BOARD OF REGENTS OF HIGHER EDUCATION TO  
CHARGE CERTAIN STUDENTS FEES FOR PURPOSES OF FUNDING THE  
PROGRAM; STATUTORILY APPROPRIATING THE RURAL PHYSICIAN  
INCENTIVE TRUST FUND TO THE BOARD OF REGENTS; AMENDING  
SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND  
AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1.** Rural physician incentive  
trust fund. There is a rural physician incentive expendable  
trust fund in the state treasury. Money is payable into the  
fund as provided in [section 2]. Income and earnings on the

fund must be redeposited in the fund. The fund must be  
administered by the board of regents of higher education as  
provided in [sections 1 through 4].

NEW SECTION. **Section 2.** Fee assessments -- deposits.  
The board of regents of higher education may assess a fee to  
students preparing to be physicians in the fields of  
medicine or osteopathic medicine who are supported by the  
state pursuant to an interstate compact for a professional  
education program in those fields, as those fields are  
defined by the compact. The fee may not exceed an amount  
equal to 8% of the annual individual medicine support fee  
paid by the state pursuant to 20-25-804. The fee must be  
assessed by the board of regents and deposited in the rural  
physician incentive trust fund established in [section 1].

NEW SECTION. **Section 3.** Use of rural physician  
incentive trust fund. (1) The rural physician incentive  
trust fund is statutorily appropriated, as provided in  
17-7-502, to the board of regents of higher education to be  
used to pay:

(a) the educational debts of rural physicians who  
practice in medically underserved areas of the state that  
demonstrate a need for assistance in physician recruitment;  
and

(b) the expenses of administering the rural physician  
incentive program. The expenses of administering the program



1 may not exceed ~~5%~~ 10% of the annual fees assessed pursuant  
2 to [section 2].

3 (2) The board of regents shall establish procedures for  
4 determining the areas of the state that qualify for  
5 assistance in physician recruitment. An eligible area must  
6 demonstrate that a physician shortage exists or that the  
7 area has been unsuccessful in recruiting physicians by other  
8 mechanisms.

9 (3) A physician from an area determined to be eligible  
10 under subsection (2) may apply to the board of regents for  
11 payment of an educational debt directly related to a  
12 professional school, as provided in subsection (4).  
13 Physicians who have paid the fee authorized in [section 2]  
14 must be given a preference over other applicants. To receive  
15 the educational debt payments, the physician shall sign an  
16 annual contract with the board of regents. The contract must  
17 provide that the physician is liable for the payments if the  
18 physician ceases to practice in the eligible area during the  
19 contract period.

20 (4) The maximum amount of educational debt payment that  
21 a rural physician may receive is \$30,000 over a 4-year  
22 period or a proportionally reduced amount for a shorter  
23 period.

24 (5) The amount contractually committed in a year may  
25 not exceed the annual amount deposited in the rural

1 physician incentive trust fund.

2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 **"17-7-502. Statutory appropriations -- definition --**  
4 **requisites for validity.** (1) A statutory appropriation is an  
5 appropriation made by permanent law that authorizes spending  
6 by a state agency without the need for a biennial  
7 legislative appropriation or budget amendment.

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

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

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

16 (3) The following laws are the only laws containing  
17 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
18 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
19 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;  
20 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;  
21 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;  
22 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
23 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;  
24 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016;  
25 23-5-1027; 27-12-206; 37-51-501; 39-71-2504; 53-6-150;

1 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101;  
2 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136;  
3 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306;  
4 [section 3]; and section 13, House Bill No. 861, Laws of  
5 1985.

6 (4) There is a statutory appropriation to pay the  
7 principal, interest, premiums, and costs of issuing, paying,  
8 and securing all bonds, notes, or other obligations, as due,  
9 that have been authorized and issued pursuant to the laws of  
10 Montana. Agencies that have entered into agreements  
11 authorized by the laws of Montana to pay the state  
12 treasurer, for deposit in accordance with 17-2-101 through  
13 17-2-107, as determined by the state treasurer, an amount  
14 sufficient to pay the principal and interest as due on the  
15 bonds or notes have statutory appropriation authority for  
16 such payments. (In subsection (3), pursuant to sec. 10, Ch.  
17 664, L. 1987, the inclusion of 39-71-2504 terminates June  
18 30, 1991.)"

19 NEW SECTION. **Section 5. Applicability.** [This act]  
20 applies to students enrolling in a professional school on or  
21 after July 1, 1992.

22 NEW SECTION. **Section 6. Effective date.** [This act] is  
23 effective July 1, 1991.

-End-

HOUSE BILL NO. 974

INTRODUCED BY PECK, JERGSON, GRINDE, KADAS, SVRCEK, DRISCOLL, HARPER, L. NELSON, VAN VALKENBURG, NATHE, BIANCHI, JACOBSON, HOCKETT, MAZUREK, BLAYLOCK, WILLIAMS, GROSFIELD, DEVLIN, BRUSKI, KEATING, WEEDING, BACHINI, MERCER, STEPLER, J. DEBRUYCKER, CRIPPEN, HAMMOND

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A RURAL PHYSICIAN INCENTIVE PROGRAM; CREATING A RURAL PHYSICIAN INCENTIVE TRUST FUND; PROVIDING FUNDING FOR THE RURAL PHYSICIAN INCENTIVE TRUST FUND; PROVIDING EDUCATIONAL DEBT PAYMENT PROVISIONS FOR ELIGIBLE RURAL PHYSICIANS; AUTHORIZING THE BOARD OF REGENTS OF HIGHER EDUCATION TO CHARGE CERTAIN STUDENTS FEES FOR PURPOSES OF FUNDING THE PROGRAM; STATUTORILY APPROPRIATING THE RURAL PHYSICIAN INCENTIVE TRUST FUND TO THE BOARD OF REGENTS; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Rural physician incentive trust fund. There is a rural physician incentive expendable trust fund in the state treasury. Money is payable into the fund as provided in [section 2]. Income and earnings on the

fund must be redeposited in the fund. The fund must be administered by the board of regents of higher education as provided in [sections 1 through 4].

NEW SECTION. Section 2. Fee assessments -- deposits.

The board of regents of higher education may assess a fee to students preparing to be physicians in the fields of medicine or osteopathic medicine who are supported by the state pursuant to an interstate compact for a professional education program in those fields, as those fields are defined by the compact. The fee may not exceed an amount equal to 8% of the annual individual medicine support fee paid by the state pursuant to 20-25-804. The fee must be assessed by the board of regents and deposited in the rural physician incentive trust fund established in [section 1].

NEW SECTION. Section 3. Use of rural physician incentive trust fund.

(1) The rural physician incentive trust fund is statutorily appropriated, as provided in 17-7-502, to the board of regents of higher education to be used to pay:

(a) the educational debts of rural physicians who practice in medically underserved areas of the state that demonstrate a need for assistance in physician recruitment; and

(b) the expenses of administering the rural physician incentive program. The expenses of administering the program



1 may not exceed ~~15%~~ 10% of the annual fees assessed pursuant  
2 to [section 2].

3 (2) The board of regents shall establish procedures for  
4 determining the areas of the state that qualify for  
5 assistance in physician recruitment. An eligible area must  
6 demonstrate that a physician shortage exists or that the  
7 area has been unsuccessful in recruiting physicians by other  
8 mechanisms.

9 (3) A physician from an area determined to be eligible  
10 under subsection (2) may apply to the board of regents for  
11 payment of an educational debt directly related to a  
12 professional school, as provided in subsection (4).  
13 Physicians who have paid the fee authorized in [section 2]  
14 must be given a preference over other applicants. To receive  
15 the educational debt payments, the physician shall sign an  
16 annual contract with the board of regents. The contract must  
17 provide that the physician is liable for the payments if the  
18 physician ceases to practice in the eligible area during the  
19 contract period.

20 (4) The maximum amount of educational debt payment that  
21 a rural physician may receive is \$30,000 over a 4-year  
22 period or a proportionally reduced amount for a shorter  
23 period.

24 (5) The amount contractually committed in a year may  
25 not exceed the annual amount deposited in the rural

1 physician incentive trust fund.

2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 **\*17-7-502. Statutory appropriations -- definition --**  
4 **requisites for validity.** (1) A statutory appropriation is an  
5 appropriation made by permanent law that authorizes spending  
6 by a state agency without the need for a biennial  
7 legislative appropriation or budget amendment.

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

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12 listed in subsection (3).

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

16 (3) The following laws are the only laws containing  
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4 [section 3]; and section 13, House Bill No. 861, Laws of  
5 1985.

6 (4) There is a statutory appropriation to pay the  
7 principal, interest, premiums, and costs of issuing, paying,  
8 and securing all bonds, notes, or other obligations, as due,  
9 that have been authorized and issued pursuant to the laws of  
10 Montana. Agencies that have entered into agreements  
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12 treasurer, for deposit in accordance with 17-2-101 through  
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14 sufficient to pay the principal and interest as due on the  
15 bonds or notes have statutory appropriation authority for  
16 such payments. (In subsection (3), pursuant to sec. 10, Ch.  
17 664, L. 1987, the inclusion of 39-71-2504 terminates June  
18 30, 1991.)"

19 NEW SECTION. **Section 5. Applicability.** {This act}  
20 applies to students enrolling in a professional school on or  
21 after July 1, 1992.

22 NEW SECTION. **Section 6. Effective date.** {This act} is  
23 effective July 1, 1991.

-End-

## HOUSE BILL NO. 974

INTRODUCED BY PECK, JERGESON, GRINDE, KADAS, SVRCEK,  
DRISCOLL, HARPER, L. NELSON, VAN VALKENBURG, NATHE,

BIANCHI, JACOBSON, HOCKETT, MAZUREK, BLAYLOCK,  
WILLIAMS, GROSFIELD, DEVLIN, BRUSKI, KEATING, WEEDING,

BACHINI, MERCER, STEPLER,

J. DEBRUYCKER, CRIPPEN, HAMMOND

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A RURAL  
PHYSICIAN INCENTIVE PROGRAM; CREATING A RURAL PHYSICIAN  
INCENTIVE TRUST FUND; PROVIDING FUNDING FOR THE RURAL  
PHYSICIAN INCENTIVE TRUST FUND; PROVIDING EDUCATIONAL DEBT  
PAYMENT PROVISIONS FOR ELIGIBLE RURAL PHYSICIANS;  
AUTHORIZING THE BOARD OF REGENTS OF HIGHER EDUCATION TO  
CHARGE CERTAIN STUDENTS FEES FOR PURPOSES OF FUNDING THE  
PROGRAM; STATUTORILY APPROPRIATING THE RURAL PHYSICIAN  
INCENTIVE TRUST FUND TO THE BOARD OF REGENTS; AMENDING  
SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND  
AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1.** Rural physician incentive  
trust fund. There is a rural physician incentive expendable  
trust fund in the state treasury. Money is payable into the  
fund as provided in [section 2]. Income and earnings on the

fund must be redeposited in the fund. The fund must be  
administered by the board of regents of higher education as  
provided in [sections 1 through 4].

NEW SECTION. **Section 2.** Fee assessments -- deposits.

The board of regents of higher education may assess a fee to  
students preparing to be physicians in the fields of  
medicine or osteopathic medicine who are supported by the  
state pursuant to an interstate compact for a professional  
education program in those fields, as those fields are  
defined by the compact. The fee may not exceed an amount  
equal to 8% of the annual individual medicine support fee  
paid by the state pursuant to 20-25-804. The fee must be  
assessed by the board of regents and deposited in the rural  
physician incentive trust fund established in [section 1].

NEW SECTION. **Section 3.** Use of rural physician

incentive trust fund. (1) The rural physician incentive  
trust fund is statutorily appropriated, as provided in  
17-7-502, to the board of regents of higher education to be  
used to pay:

(a) the educational debts of rural physicians who  
practice in medically underserved areas of the state that  
demonstrate a need for assistance in physician recruitment;  
and

(b) the expenses of administering the rural physician  
incentive program. The expenses of administering the program

1 may not exceed ~~15%~~ 10% of the annual fees assessed pursuant  
2 to [section 2].

3 (2) The board of regents shall establish procedures for  
4 determining the areas of the state that qualify for  
5 assistance in physician recruitment. An eligible area must  
6 demonstrate that a physician shortage exists or that the  
7 area has been unsuccessful in recruiting physicians by other  
8 mechanisms.

9 (3) A physician from an area determined to be eligible  
10 under subsection (2) may apply to the board of regents for  
11 payment of an educational debt directly related to a  
12 professional school, as provided in subsection (4).  
13 Physicians who have paid the fee authorized in [section 2]  
14 must be given a preference over other applicants. To receive  
15 the educational debt payments, the physician shall sign an  
16 annual contract with the board of regents. The contract must  
17 provide that the physician is liable for the payments if the  
18 physician ceases to practice in the eligible area during the  
19 contract period.

20 (4) The maximum amount of educational debt payment that  
21 a rural physician may receive is \$30,000 over a 4-year  
22 period or a proportionally reduced amount for a shorter  
23 period.

24 (5) The amount contractually committed in a year may  
25 not exceed the annual amount deposited in the rural

1 physician incentive trust fund.

2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 "17-7-502. Statutory appropriations -- definition --  
4 requisites for validity. (1) A statutory appropriation is an  
5 appropriation made by permanent law that authorizes spending  
6 by a state agency without the need for a biennial  
7 legislative appropriation or budget amendment.

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

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

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

16 (3) The following laws are the only laws containing  
17 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
18 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
19 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;  
20 15-70-107; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;  
21 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;  
22 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
23 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;  
24 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016;  
25 23-5-1027; 27-12-206; 17-51-501; 19-71-2504; 53-6-150;

1 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101;  
 2 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136;  
 3 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306;  
 4 [section 3]; and section 13, House Bill No. 861, Laws of  
 5 1985.

6 (4) There is a statutory appropriation to pay the  
 7 principal, interest, premiums, and costs of issuing, paying,  
 8 and securing all bonds, notes, or other obligations, as due,  
 9 that have been authorized and issued pursuant to the laws of  
 10 Montana. Agencies that have entered into agreements  
 11 authorized by the laws of Montana to pay the state  
 12 treasurer, for deposit in accordance with 17-2-101 through  
 13 17-2-107, as determined by the state treasurer, an amount  
 14 sufficient to pay the principal and interest as due on the  
 15 bonds or notes have statutory appropriation authority for  
 16 such payments. (In subsection (3), pursuant to sec. 10, Ch.  
 17 664, L. 1987, the inclusion of 39-71-2504 terminates June  
 18 30, 1991.)"

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