

SUBSTITUTE FOR
SENATE BILL NO. 228

A bill to establish a loan repayment program for repayment of certain educational loans to agricultural employees in rural areas; to provide for the administration of the program; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "rural
2 agricultural recruitment act".

3 Sec. 2. As used in this act:

4 (a) "Agricultural commodities" includes, but is not limited
5 to, the products of aquaculture, hydroponics, and silviculture.

6 (b) "Agricultural employee" means an individual engaged in
7 eligible agricultural employment.

8 (c) "Agricultural facility" means land, or a building or other

1 improvement on or to land, used for agricultural processing.

2 (d) "Agricultural processing" means transforming, packaging,
3 sorting, or grading livestock or livestock products, plants or
4 plant products, or other agricultural commodities into goods that
5 are used for intermediate or final consumption, including goods for
6 nonfood use, or the manufacture, production, or construction of
7 agricultural equipment, implements, and supplies. The term
8 includes, but is not limited to, the following:

9 (i) Grain handling and processing, including grain storage,
10 drying, treatment, conditioning, milling, and packaging.

11 (ii) Seed and feed grain development and processing.

12 (iii) Fruit and vegetable processing, including preparation,
13 canning, and packaging.

14 (iv) Processing of livestock and livestock products, dairy
15 products, poultry and poultry products, fish, or apiarian products,
16 including slaughter, shearing, collecting, preparation, canning,
17 and packaging.

18 (v) Fertilizer and agricultural chemical manufacturing,
19 processing, application, and supplying.

20 (vi) Farm machinery, equipment, and implement manufacturing and
21 supplying.

22 (vii) Manufacturing and supplying of agricultural commodity
23 processing machinery and equipment, including machinery and
24 equipment used in slaughter, treatment, handling, collecting,
25 preparation, canning, or packaging of agricultural commodities.

26 (viii) Construction, manufacturing, implementation, supplying,
27 or servicing of irrigation, drainage, and soil and water

1 conservation devices or equipment.

2 (ix) Fuel processing and development for the production of fuel
3 from agricultural commodities or by-products.

4 (x) Processing and packaging of agricultural commodities
5 specifically for export.

6 (xi) Forestry product processing and supplying, including
7 sawmilling, wood chipping, timber harvesting, and manufacturing of
8 prefabricated buildings, paper, furniture, or other goods from
9 forestry products.

10 (xii) Facilities and equipment for research and development of
11 products, processes, and equipment for the production, processing,
12 preparation, or packaging of agricultural commodities and by-
13 products.

14 (e) "Approved institution" means a degree- or certificate-
15 granting public or independent nonprofit college or university,
16 junior college, or community college in this state.

17 (f) "Authority" means the Michigan higher education assistance
18 authority created by 1960 PA 77, MCL 390.951 to 390.961.

19 (g) "Eligible agricultural employment" means either of the
20 following:

21 (i) Full-time employment at an agricultural facility located in
22 a rural area.

23 (ii) Engaging in veterinary practice in a rural area, primarily
24 as a large animal veterinarian.

25 (h) "Eligible debt" means the total unpaid principal balance,
26 accrued interest, and accrued expenses owed by an agricultural
27 employee for qualified loans he or she obtained after July 1, 2001

1 to attend an associate's degree program, bachelor's degree program,
2 or vocational education program at an approved institution,
3 calculated at the time he or she first applies for a repayment
4 under this act.

5 (i) "Qualified loan" means a student loan or student loan
6 guarantee under any of the following programs:

7 (i) The federal Perkins loan program described in 34 CFR part
8 674.

9 (ii) The federal Stafford loan program described in 34 CFR part
10 682

11 (iii) The Michigan alternative student loan program authorized
12 by section 4a of the higher education loan authority act, 1975 PA
13 222, MCL 390.1154a.

14 (j) "Rural area" means a county in this state that has a
15 population of 70,000 or less.

16 (k) "Vocational education program" means a postsecondary
17 vocational education program that awards certificates of completion
18 to its graduates.

19 Sec. 3. (1) The authority shall administer a partial repayment
20 program for agricultural employees who have incurred eligible debt.
21 After each year of continuous eligible agricultural employment, for
22 not more than 10 years, the authority may repay up to 2.5% of an
23 agricultural employee's eligible debt, or \$750.00, whichever is
24 less.

25 (2) In its sole discretion, the authority may make a pro rata
26 repayment of a repayment described in subsection (1) for an
27 agricultural employee who completes part of a year of eligible

1 agricultural employment, paid to the employee or his or her estate,
2 if 1 of the following occurs before that year of eligible
3 employment is completed:

4 (a) The employee dies.

5 (b) The employee is unable to continue performing eligible
6 agricultural employment because of a permanent disability.

7 (c) The authority finds other extenuating circumstances that
8 are considered by the authority to constitute a compelling reason
9 to make a pro rata repayment for that partial year of eligible
10 agricultural employment.

11 (3) The authority may accept funds from any source for the
12 operation of the repayment program created in subsection (1) and
13 shall distribute those funds in a manner consistent with this act.

14 Sec. 4. (1) Subject to subsection (2), the authority may repay
15 eligible debt under section 3 to an individual determined by the
16 authority to meet all of the following eligibility criteria:

17 (a) He or she completed the period of continuous eligible
18 agricultural employment required under section 3 for the repayment.

19 (b) He or she received an associate degree or bachelor's
20 degree from an approved institution after the 2003-2004 academic
21 year and before beginning his or her eligible agricultural
22 employment.

23 (c) He or she is a United States citizen or permanent resident
24 of the United States.

25 (d) He or she resided continuously in this state for the
26 completed period of eligible agricultural employment.

27 (e) He or she is in compliance with this act and the rules

1 promulgated under this act.

2 (f) He or she has not been convicted of a felony involving an
3 assault, physical injury, or death.

4 (g) He or she meets any other standards established in rules
5 promulgated by the authority under section 5.

6 (2) The authority shall not provide repayment of eligible debt
7 under this act to more than 1,000 recipients in the 2005-2006 state
8 fiscal year and shall not provide repayment to more than 1,000 new
9 recipients in each subsequent state fiscal year. Recipients shall
10 be selected based on the order applications are received by the
11 authority from eligible individuals.

12 Sec. 5. (1) The authority shall determine the form of an
13 application for repayment of eligible debt under this act and
14 establish an application process.

15 (2) The authority may promulgate rules necessary for the
16 implementation of the authority's functions under this act pursuant
17 to the administrative procedures act of 1969, 1969 PA 306, MCL
18 24.201 to 24.328. The rules may include additional standards of
19 eligibility for agricultural employees to receive repayment of
20 eligible debt under this act.