HOUSE OF REPRESENTATIVES TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

H.B. NO. 76

A BILL FOR AN ACT

RELATING TO LOANS FOR HEALTH PROFESSIONALS.

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

1	SECI	ION 1. Chapter 321, Hawaii Revised Statutes, is
2	amended k	by adding a new section to be appropriately designated
3	and to re	ad as follows:
4	" <u>§32</u>	1- Loans to health professionals; rural areas;
5	rural are	a health professionals loan fund. (a) The department
6	of health	shall establish a loan program to provide interest-
7	free home	purchase loans to qualified health professionals.
8	(b)	Loans made under this section shall be interest-free
9	and used	by the qualified health professional exclusively for
10	the purch	ase of a home, including an apartment, townhouse, and
11	<u>condomini</u>	um in the State. In addition, loans made under this
12	section s	hall be:
13	(1)	Repaid with a payment plan specified by the
14		department; provided that additional payments in any
15		sums, or the payment of the entire principal, may be
16		made at any time within the term of the loan;
17	(2)	Secured in a manner to be determined by the
18		department; and



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1	(3) Subject to penalties for delinquency or late payments
2	as specified by the department, including penalties
3	under subsection (c).
4	The department shall negotiate the terms and conditions of each
5	loan to ensure that each loan complies with the provisions of
6	this section.
7	(c) If at any time during the term of a loan, a qualified
8	health professional receiving the loan fails to comply with the
9	requirements established in the definition of "qualified health
10	professional" under this section, the loan shall be considered
11	forfeited and all principal amounts outstanding, plus penalties,
12	shall become due and payable. If the principal amount
13	outstanding and penalties are not remitted, the department may
14	initiate foreclosure proceedings on the home purchased through
15	the proceeds from the loan. This subsection shall not apply in
16	cases where the qualified health professional fails to comply
17	with the requirements because of circumstances beyond the
18	qualified health professional's control, as determined by the
19	department.
20	(d) Loans provided under this section shall not exceed
21	\$ per qualified health professional. Each qualified



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1	health professional shall receive no more than one loan under		
2	this section.		
3	(e) There is established in the state treasury a special		
4	fund to be known as the rural area health professionals loan		
5	fund. The fund shall be administered by the department pursuant		
6	to this section. The rural area health professionals loan fund		
7	shall be funded by:		
8	(1) Legislative appropriations;		
9	(2) Federal funds, if available; and		
10	(3) All principal payments, fees, penalties, and any other		
11	proceeds derived by the department pursuant to this		
12	section.		
13	(f) For the purposes of this section:		
14	"Qualified health professional" means a licensed physician		
15	or an advanced practice registered nurse working at least forty		
16	hours per week in a qualified rural area health facility who		
17	fulfills the eligibility requirements, if any, specified under		
18	subsection (g).		
19	"Qualified rural health facility" means a public or private		
20	hospital, medical clinic, or physician's office that:		
21	(1) Has demonstrated difficulty in hiring and retaining		
22	licensed physicians or advanced practice registered		
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1		nurses, according to standards and criteria specified
2		by the department; and
3	(2)	Is located in a rural area that is characterized by a
4		low population density and the absence of "city-like"
5		concentration of structures, streets, and urban
6		services; provided that the department may establish
7		more specific criteria and standards to further define
8		"rural area".
9	(g)	The department shall adopt rules in accordance with
10	chapter 9	1 to carry out the purpose of this section, including
11	<u>rules est</u>	ablishing eligibility requirements for health
12	professio	nals applying for loans under this section."
13	SECT	ION 2. There is appropriated out of the general
14	revenues	of the State of Hawaii the sum of \$, for
15	fiscal ye	ar 2007-2008, and the same sum for fiscal year 2008-
16	2009, to	be deposited into the rural area health professionals
17	loan fund	•
18	SECT	ION 3. There is appropriated out of the rural area
19	health pr	ofessionals loan fund the sum of \$, or so much
20	thereof a	s may be necessary for fiscal year 2007-2008, and the
21	same sum,	or so much thereof as may be necessary for fiscal year
22	2008-2009	, to be used for the purposes of the fund.

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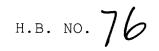
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1	The sums appropriated shall be expended by the department
2	of health for the purposes of this Act.
3	SECTION 4. New statutory material is underscored.
4	SECTION 5. This Act shall take effect on July 1, 2007.
5	
	INTRODUCED BY:

JAN 1 7 2007

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Report Title:

Loan Incentives; Rural Areas; Health Professionals

Description:

Establishes interest-free home purchase loan programs for physicians and advanced practice registered nurses to provide them with an incentive to work in hard-to-staff rural areas.

