

# **Rural Veterinary Innovation Fund Bill House File 2688**

Last Action:  
House Floor  
April 15, 2024

**An Act providing for a Rural Veterinary Practice Innovation and Revitalization Fund and Program to assist veterinary practices in certain counties, and making appropriations.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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# EXECUTIVE SUMMARY

## RURAL VETERINARY INNOVATION FUND BILL

### NEW PROGRAMS, SERVICES, OR ACTIVITIES

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Appropriates \$750,000 in FY 2025 from the General Fund to the Rural Veterinary Practice Innovation and Revitalization Fund. A veterinary practice cannot receive more than \$10,000 of the moneys appropriated in any fiscal year.

Page 4, Line 7

### SIGNIFICANT CODE CHANGES

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Adds definitions to the Iowa Code.

Page 1, Line 1

Requires the Iowa Department of Agriculture and Land Stewardship (IDALS) to administer the Rural Veterinary Practice Innovation and Revitalization Program and consult with the Iowa Board of Veterinary Medicine and organizations interested in animal agriculture and the health of agricultural animals.

Page 2, Line 1

Creates the Rural Veterinary Practice Innovation and Revitalization Fund under the control of the IDALS. Interest or earnings on moneys in the Fund will be credited to the Fund, and moneys in the Fund that are unencumbered or unobligated at the end of a fiscal year do not revert to the General Fund.

Page 2, Line 10

Creates the Rural Veterinary Practice Innovation and Revitalization Program. Provides guidelines on financial assistance awards, eligibility criteria, and the application process.

Page 2, Line 32

House File 2688 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
1	1	1	New	159.31B
2	1	2	New	159.31C
2	10	3	New	159.31D
2	32	4	New	159.31E

1 1 Section 1.NEW SECTION 159.31B DEFINITIONS.  
 1 2 As used in this part, unless the context otherwise requires:  
 1 3 1. "Agricultural animal" means an animal belonging to  
 1 4 the bovine, caprine, equine, ovine, or porcine species; farm  
 1 5 deer as defined in section 170.1; ostriches, rheas, and emus;  
 1 6 turkeys, chickens, domestic geese or ducks, or other domestic  
 1 7 fowl; fish or other aquatic organisms confined in private  
 1 8 waters for human consumption; or honey bees.  
 1 9 2. "Financial assistance" means assistance provided only  
 1 10 from the moneys and assets legally available to the department  
 1 11 pursuant to this part and includes assistance in the form of  
 1 12 grants, low-interest loans, and forgivable loans.  
 1 13 3. "Fund" means the rural veterinary practice innovation and  
 1 14 revitalization fund established in section 159.31D.  
 1 15 4. "Licensed veterinarian" means an individual who is  
 1 16 validly and currently licensed to practice veterinary medicine  
 1 17 in the state under chapter 169.  
 1 18 5. "Program" means the rural veterinary practice innovation  
 1 19 and revitalization program established in section 159.31E.  
 1 20 6. "Veterinary practice" means a business engaged in the  
 1 21 practice of veterinary medicine as defined in section 169.3,  
 1 22 as any of the following:  
 1 23 a. An individual acting as solo veterinary practitioner.  
 1 24 b. A partnership or a limited liability partnership formed  
 1 25 under chapter 486A in which all partnership interests are held  
 1 26 by licensed veterinarians.  
 1 27 c. A limited partnership formed under chapter 488 in which  
 1 28 all interests are held by licensed veterinarians.  
 1 29 d. A professional limited liability company formed under  
 1 30 chapter 489 in which all membership interests are held by  
 1 31 licensed veterinarians.  
 1 32 e. A professional corporation formed under chapter 496C in  
 1 33 which all shares are held by licensed veterinarians.  
 1 34 f. A corporation formed under chapter 504 in which all  
 1 35 shares are held by licensed veterinarians.

CODE: Adds definitions to the Iowa Code.

2 1 Sec. 2.NEW SECTION 159.31C ADMINISTRATION.  
 2 2 1. The department shall administer the provisions of this  
 2 3 part, including by adopting rules pursuant to chapter 17A as it  
 2 4 determines are necessary or desirable.

CODE: Requires the Iowa Department of Agriculture and Land Stewardship (IDALS) to adopt administrative rules to administer the

<p>2 5 2. In administering the rural veterinary practice  2 6 innovation and revitalization program, the department shall  2 7 consult with the Iowa board of veterinary medicine as provided  2 8 in section 169.5 and organizations interested in animal  2 9 agriculture and the health of agricultural animals.</p>	<p>Rural Veterinary Practice Innovation and Revitalization Program and consult with the Iowa Board of Veterinary Medicine and organizations interested in animal agriculture and the health of agricultural animals.</p>
<p>2 10 Sec. 3. NEW SECTION 159.31D RURAL VETERINARY PRACTICE  2 11 INNOVATION AND REVITALIZATION FUND.  2 12 1. A rural veterinary practice innovation and  2 13 revitalization fund is established in the state treasury under  2 14 the management and control of the department.  2 15 2. The fund shall include moneys appropriated by the general  2 16 assembly and other moneys available to and obtained or accepted  2 17 by the department, including moneys from public or private  2 18 sources.  2 19 3. a. Moneys in the fund are appropriated to the department  2 20 for the purpose of supporting the rural veterinary practice  2 21 innovation and revitalization program established in section  2 22 159.31E.</p>	<p>CODE: Creates the Rural Veterinary Practice Innovation and Revitalization Fund under the control of the IDALS to be used for the purpose of supporting the Rural Veterinary Practice Innovation and Revitalization Program. Moneys in the Fund include appropriations from the State and other moneys available, including moneys from public or private sources.</p>
<p>2 23 b. The department may use not more than five percent of  2 24 the balance of the unencumbered and unobligated moneys in the  2 25 fund at the beginning of a fiscal year to pay for the costs of  2 26 administering the program.</p>	<p>Prohibits the IDALS from using more than 5.00% of the unencumbered and unobligated moneys in the Fund for administration.</p>
<p>2 27 4. a. Notwithstanding section 12C.7, interest or earnings  2 28 on moneys in the fund shall be credited to the fund.</p>	<p>CODE: Requires interest or earnings on moneys in the Rural Veterinary Practice Innovation and Revitalization Fund to be credited to the Fund.</p>
<p>2 29 b. Notwithstanding section 8.33, moneys in the fund that  2 30 remain unencumbered or unobligated at the end of a fiscal year  2 31 shall not revert.</p>	<p>CODE: Specifies moneys in the Fund that are unencumbered or unobligated at the end of a fiscal year do not revert to the General Fund.</p>
<p>2 32 Sec. 4. NEW SECTION 159.31E RURAL VETERINARY PRACTICE  2 33 INNOVATION AND REVITALIZATION PROGRAM.  2 34 1. The department shall establish and administer the rural  2 35 veterinary practice innovation and revitalization program  3 1 for the purpose of awarding financial assistance to eligible  3 2 veterinary practices to expand and improve veterinary services  3 3 provided to agricultural animals in those counties with a  3 4 population of thirty thousand or less according to the latest</p>	<p>CODE: Requires the IDALS to establish and administer the Rural Veterinary Practice Innovation and Revitalization Program for the purpose of awarding financial assistance to eligible veterinary practices to expand and improve veterinary services in counties with a population of 30,000 or less.</p>

3 5 preceding federal decennial census or the latest applicable  
 3 6 population estimate issued by the United States census bureau,  
 3 7 whichever is most recent.

3 8 2. The department shall award financial assistance to  
 3 9 pay for project costs incurred by doing one or more of the  
 3 10 following:  
 3 11 a. Improve or expand existing facilities.  
 3 12 b. Acquire existing equipment, devices, tools, or  
 3 13 instruments.  
 3 14 c. Incorporate new methods and technologies, including  
 3 15 computerized systems.

3 16 3. The department shall establish eligibility criteria for  
 3 17 the program by rule. The eligibility criteria must include all  
 3 18 of the following:

3 19 a. The veterinary practice must be located in this state.  
 3 20 b. A licensed veterinarian associated with the veterinary  
 3 21 practice as a solo practitioner, partner, limited partner,  
 3 22 member, or shareholder must not have been subject to  
 3 23 disciplinary action in this state or another state within the  
 3 24 last five years.

3 25 c. The veterinary practice must only employ individuals  
 3 26 legally authorized to work in this state.

3 27 d. The veterinary practice must not currently be in  
 3 28 bankruptcy.

3 29 e. The veterinary practice must employ less than fifty  
 3 30 individuals.

3 31 4. A veterinary practice seeking financial assistance under  
 3 32 this section must make application to the department in the  
 3 33 manner prescribed by the department by rule.

3 34 5. Applications shall be accepted during one or more annual  
 3 35 application periods to be determined by the department. Upon  
 4 1 reviewing and scoring all applications that are received during  
 4 2 an application period, and subject to funding, the department  
 4 3 may award financial assistance to eligible veterinary  
 4 4 practices. A financial assistance award shall not exceed the  
 4 5 amount of eligible project costs included in the eligible  
 4 6 application.

CODE: Provides criteria for the IDALS to award financial assistance to pay for project costs.

CODE: Requires a veterinary practice seeking financial assistance to make an application to the IDALS in a manner prescribed by the IDALS.

CODE: Requires applications to the Program to be accepted during one or more annual application period determined by the IDALS. The IDALS must score the applications received and can then make a decision on financial assistance awards. An award cannot exceed the amount of eligible project costs included in the application.

4 7 Sec. 5. RURAL VETERINARY PRACTICE INNOVATION AND  
4 8 REVITALIZATION FUND AND PROGRAM.

Appropriates \$750,000 in FY 2025 from the General Fund to the Rural  
Veterinary Practice Innovation and Revitalization Fund.

4 9 1. There is appropriated from the general fund of the state  
4 10 to the department of agriculture and land stewardship for the  
4 11 fiscal year beginning July 1, 2024, and ending June 30, 2025,  
4 12 the following amount, or so much thereof as is necessary, to be  
4 13 used for the purposes designated:

4 14 For deposit in the rural veterinary practice innovation and  
4 15 revitalization fund as provided in section 159.31D:  
4 16 ..... \$ 750,000

4 17 2. Of the moneys appropriated in this section, a veterinary  
4 18 practice shall not receive more than \$25,000 in any fiscal  
4 19 year under the rural veterinary practice innovation and  
4 20 revitalization program established in section 159.31E.

Specifies that a veterinary practice cannot receive more than \$10,000  
of the moneys appropriated in any fiscal year.

# Agriculture and Natural Resources

## General Fund

	Actual FY 2023 (1)	Estimated FY 2024 (2)	House Action FY 2025 (3)	House Action vs Est FY 2024 (4)	Page and Line # (5)
<b><u>Agriculture and Land Stewardship, Dept of</u></b>					
<b>Agriculture and Land Stewardship</b>					
Rural Veterinary Innovation Fund	\$ 0	\$ 0	\$ 750,000	\$ 750,000	PG 4 LN 7
<b>Total Agriculture and Land Stewardship, Dept of</b>	\$ 0	\$ 0	\$ 750,000	\$ 750,000	
<b>Total Agriculture and Natural Resources</b>	\$ 0	\$ 0	\$ 750,000	\$ 750,000	