

1 SENATE BILL 404

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Crystal R. Diamond and Pat Woods

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10 AN ACT

11 RELATING TO HIGHER EDUCATION; ENACTING THE VETERINARY LOAN
12 REPAYMENT ACT; MAKING AN APPROPRIATION.

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
16 cited as the "Veterinary Loan Repayment Act".

17 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
18 Veterinary Loan Repayment Act:

19 A. "department" means the higher education
20 department;

21 B. "loan" means a grant of money to defray the
22 costs incidental to a veterinary education, under a contract
23 between the federal government or a commercial lender and a
24 veterinarian or veterinary technician, requiring either
25 repayment of principal and interest or repayment in services;

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1 C. "veterinarian" means a person having the degree
2 of doctor of veterinary medicine or its equivalent from a
3 veterinary school or a person who has received a medical
4 education in veterinary medicine in a foreign country and has
5 thereafter entered the United States and fulfilled the
6 requirements and standards set forth by the American veterinary
7 medical association and has passed all examinations required by
8 the board of veterinary medicine prior to being issued any
9 license to practice veterinary medicine in this state; and

10 D. "veterinary technician" means a skilled person
11 certified by the board as being qualified by academic and
12 practical training to provide veterinary services under the
13 supervision and direction of the licensed veterinarian who is
14 responsible for the performance of that technician.

15 SECTION 3. ~~[NEW MATERIAL]~~ DEPARTMENT POWERS AND DUTIES--
16 PARTICIPANT ELIGIBILITY--QUALIFICATIONS.--

17 A. The department may grant an award to repay loans
18 obtained for veterinary educational expenses of a veterinarian
19 or veterinary technician upon such terms and conditions as may
20 be imposed by rules of the department.

21 B. Applicants for the veterinary loan repayment
22 program shall be licensed or certified to practice in New
23 Mexico as veterinarians or veterinary technicians and shall be
24 bona fide citizens of the United States and residents of New
25 Mexico. Applicants shall declare their intent to practice as

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1 veterinarians or veterinary technicians within designated
2 veterinary shortage areas of the state.

3 C. The department shall make a full and careful
4 investigation of the ability, character and qualifications of
5 each applicant and determine fitness to become a participant in
6 the veterinary loan repayment program.

7 D. The department shall designate areas of New
8 Mexico in which there is an insufficient number of
9 veterinarians or veterinary technicians to meet the demand for
10 veterinary services.

11 E. The department shall assist selected
12 veterinarians and veterinary technicians in locating practice
13 positions in designated veterinary shortage areas.

14 SECTION 4. [NEW MATERIAL] DELEGATION OF DUTIES.--The
15 department may delegate to other agencies or contract for the
16 performance of services required by the provisions of the
17 Veterinary Loan Repayment Act.

18 SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT
19 TERMS--PAYMENT.--

20 A. Prior to receiving an award, the veterinarian or
21 veterinary technician shall file with the department a
22 declaration of intent to practice as a veterinarian or
23 veterinary technician in areas of New Mexico designated as
24 veterinary shortage areas by the department.

25 B. Award criteria shall provide that:

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1 (1) amounts shall be dependent upon the
2 location of the practice, the applicant's total veterinary
3 professional education indebtedness and characteristics of the
4 practice;

5 (2) preference in making awards shall be to
6 individuals who have graduated from a New Mexico post-secondary
7 educational institution;

8 (3) recruitment awards shall be made to
9 eligible participants who agree to relocate to an approved
10 veterinary shortage area;

11 (4) highest priority shall be given to
12 participants in practices in which veterinary vacancies are
13 difficult to fill and practices that require after-hours calls
14 at least every other night;

15 (5) award amounts may be modified based upon
16 available funding or other special circumstances; and

17 (6) an award shall not exceed the total
18 veterinary education indebtedness of any participant.

19 C. The following education debts are not eligible
20 for repayment pursuant to the Veterinary Loan Repayment Act:

21 (1) amounts incurred as a result of
22 participation in state loan-for-service programs or other state
23 programs whose purpose states that service be provided in
24 exchange for financial assistance;

25 (2) scholarships that have a service component

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1 or obligation;

2 (3) personal loans from friends or relatives;

3 and

4 (4) loans that exceed individual standard
5 school expense levels.

6 D. The loan repayment award shall be evidenced by a
7 contract between the veterinarian or veterinary technician and
8 the department acting on behalf of the state. The contract
9 shall provide for the payment by the state of a stated sum to
10 the veterinarian's or veterinary technician's debtors and shall
11 state the obligations of the veterinarian or veterinary
12 technician under the program, including a minimum two-year
13 period of service, quarterly reporting requirements and other
14 policies established by the department.

15 E. Recipients shall serve a complete year in order
16 to receive credit for that year. The minimum credit for a year
17 shall be established by the department.

18 F. If a veterinarian or veterinary technician does
19 not comply with the terms of the contract, the department shall
20 assess a penalty of up to three times the amount of award
21 disbursed plus eighteen percent interest, unless the department
22 finds acceptable extenuating circumstances for why the
23 veterinarian or veterinary technician cannot serve or comply
24 with the terms of the contract. If the department does not
25 find acceptable extenuating circumstances for the

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1 veterinarian's or veterinary technician's failure to comply
2 with the contract, the department shall require immediate
3 repayment plus the amount of the penalty.

4 G. The department shall promulgate rules to
5 implement the provisions of this section. The rules may
6 provide for the disbursement of loan repayment awards to the
7 lenders of veterinarians and veterinary technicians in annual
8 or other periodic installments.

9 SECTION 6. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
10 general form of the contract required shall be prepared and
11 approved by the attorney general and signed by the veterinarian
12 or veterinary technician and the designated representative of
13 the department on behalf of the state. The department is
14 vested with full and complete authority and power to sue in its
15 own name for any balance due the state from any veterinarian or
16 veterinary technician on any such contract.

17 SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF
18 PAYMENT.--The "veterinary loan repayment fund" is created as a
19 non-reverting fund in the state treasury. All money
20 appropriated for the veterinary loan repayment program shall be
21 credited to the fund, and all payments for penalties or
22 repayment of awards received by the department shall be
23 credited to the fund or shall be deposited with the
24 department's administrative agent. All payments for loan
25 repayment awards shall be made upon vouchers signed by the

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1 designated representative of the department and upon warrant
2 issued by the secretary of finance and administration.

3 SECTION 8. ~~[NEW MATERIAL]~~ CANCELLATION.--The department
4 may cancel any contract made between it and any veterinarian or
5 veterinary technician for any reasonable cause deemed
6 sufficient by the department.

7 SECTION 9. ~~[NEW MATERIAL]~~ REPORTS.--The department shall
8 make annual reports to the governor and to the legislature,
9 prior to each regular session, of its activities, the loan
10 repayment awards granted, the names and addresses of loan
11 repayment award recipients, the names and locations of the
12 practices of loan repayment award recipients who are serving in
13 designated veterinary shortage areas of the state pursuant to
14 the Veterinary Loan Repayment Act and the name of each loan
15 repayment award recipient who is not serving in a designated
16 veterinary shortage area, the reason the person is not serving
17 and the amount owed and paid on the loan and loan repayment
18 award.

19 SECTION 10. APPROPRIATION.--Five hundred thousand dollars
20 (\$500,000) is appropriated from the general fund to the higher
21 education department for expenditure in fiscal year 2024 and
22 subsequent fiscal years to fund loan repayment awards pursuant
23 to the Veterinary Loan Repayment Act. Any unexpended or
24 unencumbered balance remaining at the end of a fiscal year
25 shall not revert to the general fund.

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SECTION 11. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2023.