

SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR
SENATE BILL 404

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

AN ACT

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

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

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

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

A. "department" means the higher education
department;

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

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 residents of New Mexico. Applicants shall declare their intent
25 to practice as veterinarians or veterinary technicians within

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1 designated veterinary shortage areas of the state.

2 C. The department shall designate areas of New
3 Mexico in which there is an insufficient number of
4 veterinarians or veterinary technicians to meet the demand for
5 veterinary services.

6 D. The department shall assist selected
7 veterinarians and veterinary technicians in locating practice
8 positions in designated veterinary shortage areas.

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

13 SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT
14 TERMS--PAYMENT.--

15 A. Prior to receiving an award, the veterinarian or
16 veterinary technician shall file with the department a
17 declaration of intent to practice as a veterinarian or
18 veterinary technician in areas of New Mexico designated as
19 veterinary shortage areas by the department.

20 B. Award criteria shall provide that:

21 (1) amounts shall be dependent upon the
22 location of the practice, the applicant's total veterinary
23 professional education indebtedness and characteristics of the
24 practice;

25 (2) preference in making awards shall be to

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1 individuals who have graduated from a New Mexico post-secondary
2 educational institution;

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

6 (4) highest priority shall be given to
7 participants in practices in which veterinary vacancies are
8 difficult to fill and practices that require after-hours calls
9 at least every other night;

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

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

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

16 (1) amounts incurred as a result of
17 participation in state loan-for-service programs or other state
18 programs whose purpose states that service be provided in
19 exchange for financial assistance;

20 (2) scholarships that have a service component
21 or obligation; and

22 (3) personal loans from friends or relatives.

23 D. The loan repayment award shall be evidenced by a
24 contract between the veterinarian or veterinary technician and
25 the department acting on behalf of the state. The contract

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1 shall provide for the payment by the state of a stated sum to
2 the veterinarian's or veterinary technician's debtors and shall
3 state the obligations of the veterinarian or veterinary
4 technician under the program, including a minimum two-year
5 period of service, quarterly reporting requirements and other
6 policies established by the department.

7 E. Recipients shall serve a complete year in order
8 to receive credit for that year. The minimum credit for a year
9 shall be established by the department.

10 F. If a veterinarian or veterinary technician does
11 not comply with the terms of the contract, the department shall
12 require immediate repayment plus interest as provided in the
13 repayment contract, if applicable.

14 G. The department shall promulgate rules to
15 implement the provisions of this section. The rules may
16 provide for the disbursement of loan repayment awards to the
17 lenders of veterinarians and veterinary technicians in annual
18 or other periodic installments.

19 SECTION 6. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
20 general form of the contract required shall be prepared and
21 approved by the attorney general and signed by the veterinarian
22 or veterinary technician and the designated representative of
23 the department on behalf of the state. The department is
24 vested with full and complete authority and power to sue in its
25 own name for any balance due the state from any veterinarian or

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1 veterinary technician on any such contract.

2 SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF
3 PAYMENT.--The "veterinary loan repayment fund" is created as a
4 non-reverting fund in the state treasury. All money
5 appropriated for the veterinary loan repayment program shall be
6 credited to the fund, and all payments for penalties or
7 repayment of awards received by the department shall be
8 credited to the fund or shall be deposited with the
9 department's administrative agent. All payments for loan
10 repayment awards shall be made upon vouchers signed by the
11 designated representative of the department and upon warrant
12 issued by the secretary of finance and administration.

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

25 SECTION 9. APPROPRIATION.--Five hundred thousand dollars
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1 (\$500,000) is appropriated from the general fund to the higher
2 education department for expenditure in fiscal year 2024 and
3 subsequent fiscal years to fund loan repayment awards pursuant
4 to the Veterinary Loan Repayment Act. Any unexpended or
5 unencumbered balance remaining at the end of a fiscal year
6 shall not revert to the general fund.

7 SECTION 10. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2023.

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