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SENATE BILL 8

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Pat Woods and Tara L. Lujan and Pat Boone and Anita Gonzales
and Harlan Vincent

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE VETERINARY MEDICAL
LOAN REPAYMENT PROGRAM; PROVIDING POWERS AND DUTIES;
ESTABLISHING SELECTION CRITERIA AND ELIGIBILITY REQUIREMENTS;
PROVIDING FOR CONTRACTS BETWEEN RECIPIENTS AND THE HIGHER
EDUCATION DEPARTMENT; PROVIDING FOR RELEASE FROM CONTRACT OR
RECOUPMENT; CREATING A FUND; PRESCRIBING A PENALTY; 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 Medical Loan Repayment Act".

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

A. "award" means the loan repayment award granted
to a recipient;

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1 B. "committee" means the veterinarian selection
2 committee;

3 C. "department" means the higher education
4 department;

5 D. "designated underserved area" means a
6 municipality or county designated by the committee that does
7 not have a sufficient number of food-animal veterinarians for
8 the needs of the veterinary medical service area;

9 E. "loan" means a grant of money to defray the cost
10 of tuition and fees for a veterinary medical education under a
11 contract between the federal government or a commercial lender
12 and a veterinary medical student requiring repayment of
13 principal and interest;

14 F. "recipient" means a veterinarian selected to
15 participate in the veterinary medical loan repayment program;
16 and

17 G. "veterinarian" means a person who graduated from
18 an accredited school of veterinary medicine and is licensed as
19 a veterinarian in New Mexico.

20 SECTION 3. [NEW MATERIAL] DEPARTMENT--POWERS AND DUTIES--
21 DESIGNATED UNDERSERVED AREAS--COMMITTEE--ELIGIBILITY AND
22 SELECTION--APPLICANT QUALIFICATIONS.--

23 A. The department may:

24 (1) promulgate rules to implement the
25 provisions of the Veterinary Medical Loan Repayment Act,

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1 including the factors to be used to identify designated
2 underserved areas of the state;

3 (2) delegate to other agencies or contract for
4 the performance of services required by the Veterinary Medical
5 Loan Repayment Act; and

6 (3) grant an award to repay loans to a
7 recipient on such terms and conditions as determined by rule of
8 the department.

9 B. The department, delegated agency or contractor
10 shall participate in any federal programs that support the
11 repayment of education loans incurred by veterinarians and
12 agree to the conditions of a federal program.

13 C. The department shall appoint an ongoing
14 "veterinarian selection committee" composed of the state
15 veterinarian, the New Mexico state university extension
16 veterinarian and the chair of the board of veterinary medicine,
17 who all serve ex officio. The committee shall:

18 (1) select up to ten qualified applicants per
19 year to participate in the veterinary medical loan repayment
20 program;

21 (2) designate food-animal veterinarian
22 underserved areas of the state and rank them as to need; and

23 (3) assist the department in determining
24 eligibility and selection criteria for applicants and
25 recipients.

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1 D. An applicant shall be:

2 (1) a citizen or lawful permanent resident of
3 the United States;

4 (2) a resident of New Mexico;

5 (3) licensed as a veterinarian in New Mexico;

6 and

7 (4) employed full time in a private practice
8 providing food-animal veterinary medical services in a
9 designated underserved area.

10 E. The department, with the assistance of the board
11 of veterinary medicine, shall make a full and careful
12 investigation of the training, ability, character and other
13 pertinent qualifications of each applicant and determine
14 fitness to be a recipient.

15 F. The board of veterinary medicine shall maintain
16 a database of employment opportunities for veterinarians in
17 designated underserved areas.

18 SECTION 4. [NEW MATERIAL] AWARD CRITERIA--CONTRACT--
19 TERMS--PAYMENT--PENALTY.--

20 A. Award criteria shall provide that:

21 (1) amounts are dependent on the location and
22 characteristics of the medical practice and the applicant's
23 total veterinary medical school indebtedness;

24 (2) preference in making awards shall be to
25 persons who have graduated from a post-secondary educational

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1 institution that gives preferential enrollment to New Mexico
2 residents;

3 (3) award amounts may be modified based on
4 available funding or other special circumstances; and

5 (4) an award shall not exceed the total
6 veterinary medical education indebtedness of the recipient.

7 B. The following education debts are not eligible
8 for repayment pursuant to the Veterinary Medical Loan Repayment
9 Act:

10 (1) amounts incurred as a result of
11 participation in state loan-for-service programs or other state
12 financial aid programs that require that service be provided in
13 exchange for financial assistance;

14 (2) scholarships;

15 (3) personal loans from friends or relatives;

16 and

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

19 C. The award shall be evidenced by a contract
20 between the recipient and the department acting on behalf of
21 the state. The general form of the contract required shall be
22 approved by the attorney general and signed by the recipient
23 and the department or the designated representative of the
24 department on behalf of the state.

25 D. The contract shall provide for the payment by

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1 the state of a stated sum to the recipient's debtors and shall
2 state the obligations of the recipient under the program,
3 including a minimum four-year period of service, quarterly
4 reporting requirements and other rules established by the
5 department.

6 E. Recipients shall serve a complete year in order
7 to receive credit for that year. The annual award shall be
8 established by the department but shall not exceed fifteen
9 thousand dollars (\$15,000) for each of the first two years and
10 twenty-five thousand dollars (\$25,000) for each of the second
11 two years, for a total not to exceed eighty thousand dollars
12 (\$80,000).

13 F. If a recipient does not comply with the terms of
14 the contract, the department shall assess a penalty of up to
15 three times the amount of the award disbursed plus eighteen
16 percent interest, unless the department finds acceptable
17 extenuating circumstances, including those that require release
18 of contract, as to why the recipient cannot serve or comply
19 with the terms of the contract. If the department does not
20 find acceptable extenuating circumstances for the recipient's
21 failure to comply with the contract, the department shall
22 require immediate repayment plus the amount of the penalty.

23 G. The department shall adopt rules to implement
24 the provisions of this section. The rules may provide for the
25 disbursement of awards to the lenders of recipients in annual

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1 or other periodic installments.

2 SECTION 5. [NEW MATERIAL] RELEASE FROM CONTRACT--CONTRACT
3 CANCELLATION--ENFORCEMENT.--

4 A. The department, with recommendation from the
5 committee, may cancel a contract made between the department
6 and a recipient for the recipient's failure to comply with
7 provisions of the contract, the Veterinary Medical Loan
8 Repayment Act, rules promulgated in accordance with that act or
9 any other reasonable cause deemed sufficient by the department.

10 B. The department shall release a recipient from
11 the contract without penalty if:

12 (1) the recipient has completed the service
13 requirements of the contract;

14 (2) the recipient is unable to complete the
15 service requirements of the contract due to serious illness or
16 disability; or

17 (3) the recipient demonstrates extreme
18 hardship or other good cause to the department justifying the
19 release from contract.

20 C. A decision not to release a recipient from the
21 contract without penalty is a final agency decision and may be
22 appealed to the district court as provided in Section 39-3-1.1
23 NMSA 1978.

24 D. The department is vested with full and complete
25 authority and power to sue in its own name for the balance due

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1 the state from any recipient on a loan repayment contract.

2 SECTION 6. [NEW MATERIAL] FUND CREATED.--The "veterinary
3 medical loan repayment fund" is created as a nonreverting fund
4 in the state treasury. The fund consists of appropriations,
5 gifts, grants, donations and income from investment of the
6 fund. Money in the fund shall be used to make awards to
7 recipients who are in compliance with the recipients'
8 contracts, the Veterinary Medical Loan Repayment Act and rules
9 promulgated in accordance with that act. Expenditures from the
10 fund shall be on warrant of the secretary of finance and
11 administration pursuant to vouchers signed by the secretary of
12 higher education or the secretary's authorized representative.

13 SECTION 7. [NEW MATERIAL] REPORTS.--The department shall
14 make annual reports to the governor and the legislature prior
15 to each regular legislative session of the department's
16 activities, including cohort data and annual and total program
17 data that shows:

- 18 A. the number and amount of awards given;
19 B. the completion rate of recipients in the
20 program, the number of recipients who completed the program and
21 stayed in New Mexico and the number of those recipients who are
22 practicing in a designated underserved area;
23 C. the amounts repaid and amounts owed on
24 educational loans and the total number and total amount of
25 penalties assessed against recipients who left the program;

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D. the service locations of current and former recipients in New Mexico;

E. for each designated underserved area in the state, the number of recipients who are serving or have served in the area and whether there are recipients who are not employed or not employed full time in the area; and

F. other information determined by the department.

SECTION 8. APPROPRIATION.--Five million dollars (\$5,000,000) is appropriated from the general fund to the veterinary medical loan repayment fund for expenditure in fiscal years 2026 through 2031 to carry out the purposes of the fund. Any unexpended or unencumbered balance at the end of a fiscal year shall not revert to any other fund.