

1 HOUSE BILL 474

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

3 INTRODUCED BY

4 Gail Armstrong

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9  
10 AN ACT

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

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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 of veterinary medicine as being  
12 qualified by academic and practical training to provide  
13 veterinary services under the supervision and direction of the  
14 licensed veterinarian who is responsible for the performance of  
15 that technician.

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

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

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

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1 declare their intent to practice as veterinarians or veterinary  
2 technicians within designated rural veterinary shortage areas  
3 of the state.

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

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

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

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

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

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

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1                   B. Award criteria shall provide that:

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

6                   (2) recruitment awards shall be made to  
7 eligible participants who agree to relocate to a designated  
8 rural veterinary shortage area;

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

13                   (4) award amounts may be modified based upon  
14 available funding or other special circumstances; and

15                   (5) an award shall not exceed the lesser of  
16 fifty thousand dollars (\$50,000) or the total veterinary  
17 education indebtedness of any participant at the time the award  
18 is granted.

19                   C. Prior to receiving an award, the veterinarian or  
20 veterinary technician shall enter into a contract with the  
21 department that applicant will complete three years of  
22 veterinary practice in a designated veterinary shortage area.  
23 The contract shall provide that one-half of the award amount  
24 shall be paid to the recipient after eighteen months of  
25 practice and one-half of the award amount shall be paid after

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1 three years of practice.

2 D. The following education debts are not eligible  
3 for repayment pursuant to the Veterinary Loan Repayment Act:

4 (1) amounts incurred as a result of  
5 participation in state loan-for-service programs or other state  
6 programs whose purpose states that service be provided in  
7 exchange for financial assistance;

8 (2) scholarships that have a service component  
9 or obligation;

10 (3) personal loans from friends or relatives;  
11 and

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

14 E. The loan repayment award shall be evidenced by a  
15 contract between the veterinarian or veterinary technician and  
16 the department acting on behalf of the state. The contract  
17 shall provide for the payment by the state of a stated sum to  
18 the veterinarian's or veterinary technician's debtors and shall  
19 state the obligations of the veterinarian or veterinary  
20 technician under the program, including a minimum three-year  
21 period of service, quarterly reporting requirements and other  
22 policies established by the department.

23 F. Funds for loan payment awards approved by the  
24 department shall be made from the health professional loan  
25 repayment fund.

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1           G. If a veterinarian or veterinary technician does  
2 not comply with the terms of the contract, the department shall  
3 assess a penalty of up to three times the amount of award  
4 disbursed plus eighteen percent interest, unless the department  
5 finds acceptable extenuating circumstances for why the  
6 veterinarian or veterinary technician cannot serve or comply  
7 with the terms of the contract. If the department does not  
8 find acceptable extenuating circumstances for the  
9 veterinarian's or veterinary technician's failure to comply  
10 with the contract, the department shall require immediate  
11 repayment plus the amount of the penalty.

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

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

25           SECTION 7. [NEW MATERIAL] CANCELLATION.--The department

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1 may cancel any contract made between it and any veterinarian or  
2 veterinary technician for any reasonable cause deemed  
3 sufficient by the department.

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

16 SECTION 9. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2023.