

SENATE BILL 8

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

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

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 SFC→; ~~MAKING~~
~~AN APPROPRIATION~~←SFC.

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

.229040.2SAAIC February 22, 2025 (5:33pm)

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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;

B. "committee" means the veterinarian selection committee;

C. "department" means the higher education department;

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

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

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

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

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

A. The department may:

(1) promulgate rules to implement the provisions of the Veterinary Medical Loan Repayment Act, including the factors to be used to identify designated underserved areas of the state;

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

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

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

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

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

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

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

D. An applicant shall be:

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

(2) a resident of New Mexico;

(3) licensed as a veterinarian in New Mexico;

and

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

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

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

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

A. Award criteria shall provide that:

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

(2) preference in making awards shall be to persons who have graduated from a post-secondary educational institution that gives preferential enrollment to New Mexico residents;

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

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

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

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

(2) scholarships;

(3) personal loans from friends or relatives;

and

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

C. The award shall be evidenced by a contract between the recipient and the department acting on behalf of

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the state. The general form of the contract required shall be approved by the attorney general and signed by the recipient and the department or the designated representative of the department on behalf of the state.

D. The contract shall provide for the payment by the state of a stated sum to the recipient's debtors and shall state the obligations of the recipient under the program, including a minimum four-year period of service, quarterly reporting requirements and other rules established by the department.

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

F. If a recipient does not comply with the terms of the contract, the department shall assess a penalty of up to three times the amount of the award disbursed plus eighteen percent interest, unless the department finds acceptable extenuating circumstances, including those that require release of contract, as to why the recipient cannot serve or comply with the terms of the contract. If the department does not find acceptable extenuating circumstances for the recipient's

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failure to comply with the contract, the department shall require immediate repayment plus the amount of the penalty.

G. The department shall adopt rules to implement the provisions of this section. The rules may provide for the disbursement of awards to the lenders of recipients in annual or other periodic installments.

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

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

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

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

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

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

C. A decision not to release a recipient from the

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contract without penalty is a final agency decision and may be appealed to the district court as provided in Section 39-3-1.1 NMSA 1978.

D. The department is vested with full and complete authority and power to sue in its own name for the balance due the state from any recipient on a loan repayment contract.

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

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

- A. the number and amount of awards given;
- B. the completion rate of recipients in the program, the number of recipients who completed the program and

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stayed in New Mexico and the number of those recipients who are practicing in a designated underserved area;

C. the amounts repaid and amounts owed on educational loans and the total number and total amount of penalties assessed against recipients who left the program;

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.

SFC → 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. ← SFC