

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 531

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

AN ACT

RELATING TO MEDICAL EDUCATION; CREATING AN ESCROW FUND FOR THE
ESTABLISHMENT OF A COLLEGE OF OSTEOPATHIC MEDICINE THAT IS
REQUIRED FOR CANDIDATE STATUS WITH THE COMMISSION ON
OSTEOPATHIC COLLEGE ACCREDITATION; PROVIDING FOR A TRI-PARTY
ESCROW AGREEMENT; PROVIDING FOR A GUARANTEE AGREEMENT;
REQUIRING THE COLLEGE TO SUBMIT STUDENT DATA; MAKING A TRANSFER
FROM THE TOBACCO SETTLEMENT PERMANENT FUND TO THE SANTA FE
COLLEGE OF OSTEOPATHIC MEDICINE ESCROW FUND; CREDITING INCOME
FROM INVESTMENT OF THE ESCROW FUND TO THE TOBACCO SETTLEMENT
PERMANENT FUND.

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

SECTION 1. A new section of Chapter 6 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] SANTA FE COLLEGE OF OSTEOPATHIC MEDICINE

.231563.1

underscored material = new
[bracketed material] = delete

1 ESCROW FUND CREATED--AGREEMENTS.--

2 A. The "Santa Fe college of osteopathic medicine
3 escrow fund" is created as a nonreverting fund in the state
4 treasury. The fund consists of transfers, gifts, grants and
5 donations. Money in the fund shall be invested by the state
6 treasurer. Income from investment of the fund shall be held by
7 the treasurer and credited biannually to the tobacco settlement
8 permanent fund.

9 B. The escrow fund may be considered an
10 unencumbered escrow and operating reserve fund of the Santa Fe
11 college of osteopathic medicine and shall be held in escrow
12 until graduation of the first class of medical students and the
13 full accreditation of college. When the first class has
14 graduated and the college is accredited, or no later than July
15 1, 2033, the balance in the fund shall be transferred back to
16 the tobacco settlement permanent fund.

17 C. The state treasurer, the Santa Fe college of
18 osteopathic medicine and the commission on osteopathic college
19 accreditation shall enter into an escrow agreement. The state
20 shall enter into an agreement with access health initiative LLC
21 to guarantee that if the accrediting agency must draw against
22 the escrow fund, the company shall hold the state harmless by
23 contributing the amount withdrawn from the escrow fund by the
24 accrediting agency to the credit of the tobacco settlement
25 permanent fund.

.231563.1

1 D. The Santa Fe college of osteopathic medicine
2 shall submit data annually to the higher education department
3 for the first five years of operation that includes for each
4 year the number of applications received; the number of
5 students accepted; the number of students with passing grades
6 each semester; the number of students who return each semester;
7 the number of students who graduate on time; and a list of
8 residency placements."

9 **SECTION 2. TRANSFER FROM TOBACCO SETTLEMENT PERMANENT**
10 **FUND TO THE SANTA FE COLLEGE OF OSTEOPATHIC MEDICINE ESCROW**
11 **FUND.--On July 1, 2025, forty million dollars (\$40,000,000) is**
12 **transferred from the tobacco settlement permanent fund to the**
13 **Santa Fe college of osteopathic medicine escrow fund.**

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