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HOUSE BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE LAW ENFORCEMENT AND
CORRECTIONAL OFFICER 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 "Law Enforcement and Correctional Officer Loan
Repayment Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Law Enforcement and Correctional Officer Loan Repayment Act:

- A. "applicant" means a person who applies to be a
recipient;
- B. "department" means the higher education
department;
- C. "loan" means a grant of money to defray the

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1 costs incidental to a recipient's education under a contract
2 between the federal government or a commercial lender and a
3 recipient requiring repayment of principal with interest; and

4 D. "recipient" means a licensed law enforcement
5 officer or a correctional officer who receives an award
6 pursuant to the Law Enforcement and Correctional Officer Loan
7 Repayment Act.

8 SECTION 3. [NEW MATERIAL] DEPARTMENT POWERS AND DUTIES--
9 RECIPIENT--QUALIFICATIONS.--

10 A. The department may grant an award to repay loans
11 obtained for educational expenses of a recipient pursuant to
12 rules issued by the department.

13 B. A recipient shall be a licensed law enforcement
14 officer or correctional officer and shall be a citizen of the
15 United States and a bona fide resident of New Mexico.

16 C. The department shall make a full and careful
17 investigation of the ability, character and qualifications of
18 each applicant and determine the applicant's fitness to become
19 a recipient.

20 D. The department shall assist recipients in
21 locating employment in areas of need.

22 SECTION 4. [NEW MATERIAL] DELEGATION OF DUTIES.--The
23 department may delegate to other agencies or contract for the
24 performance of services required by the provisions of the Law
25 Enforcement and Correctional Officer Loan Repayment Act.

1 SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT

2 TERMS--PAYMENT.--

3 A. Award criteria shall provide that:

4 (1) amounts shall be dependent upon the
5 recipient's total education indebtedness;

6 (2) preference in making awards shall be to
7 individuals who have graduated from a New Mexico post-secondary
8 educational institution;

9 (3) preference in making awards shall be to
10 individuals who agree to relocate to areas of need;

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

13 (5) an award shall not exceed the total
14 education indebtedness of any participant.

15 B. The following education debts are not eligible
16 for repayment pursuant to the Law Enforcement and Correctional
17 Officer Loan Repayment Act:

18 (1) amounts incurred as a result of
19 participation in state loan-for-service programs or other state
20 programs in which service is provided in exchange for financial
21 assistance;

22 (2) scholarships that have a service component
23 or obligation;

24 (3) personal loans from friends or relatives;

25 and

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

3 C. The loan repayment award shall be evidenced by a
4 contract between the recipient and the department acting on
5 behalf of the state. The contract shall provide for the
6 payment by the state of a stated sum to the recipient's
7 creditors and shall state the obligations of the recipient
8 under the Law Enforcement and Correctional Officer Loan
9 Repayment Act, including a minimum two-year period of service.

10 D. Recipients shall serve a complete year as a law
11 enforcement officer or a correctional officer to receive credit
12 for that year. The minimum credit for a year shall be
13 established by the department.

14 E. If a recipient does not comply with the terms of
15 the contract, the department shall assess a penalty of up to
16 three times the amount of the award disbursed plus eighteen
17 percent interest, unless the department finds acceptable
18 extenuating circumstances for why the recipient cannot comply
19 with the terms of the contract. If the department does not
20 find acceptable extenuating circumstances for the law
21 enforcement officer's or correctional officer's failure to
22 comply with the contract, the department shall require
23 immediate repayment plus the amount of the penalty.

24 F. The department shall adopt rules to implement
25 the provisions of the Law Enforcement and Correctional Officer

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1 Loan Repayment Act. The rules may provide for the disbursement
2 of loan repayment awards to the lenders of recipients in annual
3 or other periodic installments.

4 SECTION 6. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
5 general form of the contract required shall be prepared and
6 approved by the attorney general and signed by the recipient
7 and the designated representative of the department on behalf
8 of the state. The department is vested with full and complete
9 authority and power to sue in its own name for any balance due
10 the state from any recipient.

11 SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF
12 PAYMENT.--The "law enforcement and correctional officer loan
13 repayment fund" is created in the state treasury. All money
14 appropriated for loans to law enforcement officers and
15 correctional officers under the Law Enforcement and
16 Correctional Officer Loan Repayment Act shall be credited to
17 the fund, and all payments for penalties or repayment of awards
18 received by the department shall be credited to the fund or
19 shall be deposited with the department's administrative agent.
20 All payments for loan repayment awards shall be made upon
21 vouchers signed by the secretary of higher education or the
22 secretary's designee designated upon warrants issued by the
23 secretary of finance and administration.

24 SECTION 8. [NEW MATERIAL] CANCELLATION.--The department
25 may cancel any contract made between it and any recipient for

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1 any reasonable cause deemed sufficient by the department.

2 SECTION 9. [NEW MATERIAL] REPORTS.--The department shall
3 make annual reports to the governor and to the legislature,
4 prior to each regular legislative session, of its activities,
5 the loan repayment awards granted, the names and addresses of
6 recipients, the place of employment of those recipients who are
7 serving in areas of need and the amount owed and paid on each
8 loan.

9 SECTION 10. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2019.