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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.

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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.