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HOUSE BILL 140

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Mary Helen Garcia

FOR THE

ECONOMIC AND RURAL DEVELOPMENT AND TELECOMMUNICATIONS COMMITTEE

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; AMENDING THE FAMILY
OPPORTUNITY ACCOUNTS ACT TO CHANGE THE NAME OF THE ACT;
CHANGING THE ELIGIBILITY REQUIREMENTS; MAKING APPROPRIATIONS.

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

Section 1. Section 58-30-1 NMSA 1978 (being Laws 2003,
Chapter 362, Section 1, as amended) is amended to read:

"58-30-1. SHORT TITLE.--Chapter 58, Article 30 NMSA 1978
may be cited as the "~~[Family Opportunity]~~ Individual
Development Accounts Act"."

Section 2. Section 58-30-2 NMSA 1978 (being Laws 2003,
Chapter 362, Section 2, as amended) is amended to read:

"58-30-2. DEFINITIONS.--As used in the ~~[Family~~
~~Opportunity]~~ Individual Development Accounts Act:

A. "account owner" means the person in whose name

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1 ~~[a family opportunity]~~ an individual development account is
2 originally established;

3 B. "allowable use" means a use that complies with
4 the provisions of the ~~[Family Opportunity]~~ Individual
5 Development Accounts Act, or rules adopted pursuant to that
6 act;

7 C. "authorized financial institution" means a
8 financial institution authorized by the ~~[office]~~ division to
9 hold and manage ~~[family opportunity]~~ individual development
10 accounts and reserve accounts;

11 D. "director" means the director of the ~~[office]~~
12 division;

13 E. "division" means the local government division
14 of the department of finance and administration;

15 ~~[E.]~~ F. "earned income" means wages from
16 employment, payment in lieu of wages, disability payments,
17 tribal distributions or earnings from self-employment or
18 acquired from the provision of services, goods or property,
19 production of goods, management of property or supervision of
20 services;

21 ~~[F.]~~ G. "eligible individual" means a person who
22 meets the criteria for opening ~~[a family opportunity]~~ an
23 individual development account;

24 ~~[G. "family opportunity"]~~ H. "individual
25 development account" means an account established and

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1 maintained in an authorized financial institution by an
2 eligible individual participating in [~~a family opportunity~~] an
3 individual development accounts program pursuant to the
4 provisions of the [~~Family Opportunity~~] Individual Development
5 Accounts Act;

6 [~~H.~~] ~~"family opportunity~~] I. "individual
7 development accounts program" means a program approved by the
8 [~~office~~] division to establish and administer [~~family~~
9 ~~opportunity~~] individual development accounts and reserve
10 accounts for eligible individuals and to provide financial
11 training required by the [~~office~~] division for account owners;

12 [~~F.~~] J. "financial institution" means a bank, bank
13 and trust, savings bank, savings association or credit union
14 authorized to be a trustee of individual retirement accounts as
15 defined by federal law, the deposits of which are insured by
16 the federal deposit insurance corporation or the national
17 credit union administration;

18 [~~J.~~] K. "indigent" means an individual who, taking
19 into account the present income and the liquid assets and the
20 requirement for other basic necessities of life for [~~himself~~]
21 the individual and [~~his~~] the individual's dependents, is unable
22 to pay the costs of allowable uses as set forth in the [~~Family~~
23 ~~Opportunity~~] Individual Development Accounts Act;

24 [~~K.~~] L. "matching funds" means money deposited in a
25 reserve account to match the withdrawals for allowable uses

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1 from ~~[a family opportunity]~~ an individual development account
2 according to a proportionate formula that complies with rules
3 adopted by the director;

4 ~~[L.]~~ M. "nonprofit organization" means an
5 instrumentality of the state or a local government or an
6 organization described in Section 501(c)(3) of the Internal
7 Revenue Code of 1986 and exempt from taxation pursuant to
8 Section 501(a) of that code;

9 ~~[M. "office" means the office of workforce training
10 and development;]~~

11 N. "program administrator" means a nonprofit
12 organization or tribe that is selected pursuant to the ~~[Family
13 Opportunity]~~ Individual Development Accounts Act to offer ~~[a
14 family opportunity]~~ an individual development accounts program
15 pursuant to a contract with the director;

16 O. "reserve account" means an account established
17 pursuant to the ~~[Family Opportunity]~~ Individual Development
18 Accounts Act in an authorized financial institution in which
19 matching funds are maintained and available for payment for a
20 predetermined allowable use following completion of all program
21 requirements by the account owner; and

22 P. "tribe" means an Indian nation, tribe or pueblo
23 located in whole or in part within New Mexico."

24 Section 3. Section 58-30-3 NMSA 1978 (being Laws 2003,
25 Chapter 362, Section 3, as amended) is amended to read:

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1 "58-30-3. [~~FAMILY OPPORTUNITY~~] INDIVIDUAL DEVELOPMENT
2 ACCOUNTS.-- [~~A. A family opportunity~~] An individual development
3 account may be established for an eligible individual as part
4 of [~~a family opportunity~~] an individual development accounts
5 program if the written instrument creating the account sets
6 forth the following:

7 [(1)] A. the account owner is an eligible
8 individual according to program requirements at the time the
9 account is established;

10 [(2)] B. the [~~family opportunity~~] individual
11 development account is established and maintained in an
12 authorized financial institution;

13 [(3)] C. deposits to [~~a family opportunity~~] an
14 individual development account shall be made in accordance with
15 the rules adopted pursuant to the [~~Family Opportunity~~]
16 Individual Development Accounts Act;

17 [(4)] D. withdrawals from [~~a family opportunity~~] an
18 individual development account shall only be made in accordance
19 with the [~~Family Opportunity~~] Individual Development Accounts
20 Act and rules adopted pursuant to that act;

21 [(5)] E. the matching amount that will be deposited
22 in the reserve account for each dollar deposited by the account
23 owner in the [~~family opportunity~~] individual development
24 account; and

25 [(6)] F. the financial institution in which [~~a~~

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1 ~~family opportunity]~~ an individual development account is held
2 shall not be liable for withdrawals made for uses other than
3 allowable uses.

4 ~~[B. For purposes of 42 USCA 604(h), a family~~
5 ~~opportunity account shall be deemed to be an individual~~
6 ~~development account.]"~~

7 Section 4. Section 58-30-4 NMSA 1978 (being Laws 2003,
8 Chapter 362, Section 4, as amended) is amended to read:

9 "58-30-4. ELIGIBLE INDIVIDUALS.--

10 A. Except as set forth in ~~[Subsection]~~ Subsections
11 B and C of this section, an eligible individual shall have
12 earned income and shall be:

- 13 (1) eighteen years of age or older;
- 14 (2) a citizen or legal resident of the United
15 States;
- 16 (3) a resident of New Mexico; and
- 17 (4) an indigent.

18 B. A child in foster care is an eligible individual
19 if the child:

- 20 (1) is sixteen years of age or older;
- 21 (2) is an indigent;
- 22 (3) is a citizen or legal resident of the
23 United States; and
- 24 (4) is a resident of New Mexico.

25 C. A child is an eligible individual if the child:

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- 1 (1) was born in New Mexico;
- 2 (2) is at least thirteen years of age and not
- 3 more than eighteen years of age;
- 4 (3) is a member of a family whose members are
- 5 all indigents;
- 6 (4) is a citizen or legal resident of the
- 7 United States; and
- 8 (5) is a resident of New Mexico."

9 Section 5. Section 58-30-5 NMSA 1978 (being Laws 2003,
10 Chapter 362, Section 5, as amended) is amended to read:

11 "58-30-5. RESPONSIBILITIES OF THE ~~[OFFICE]~~ DIVISION.--

12 A. The ~~[office]~~ division shall adopt rules
13 implementing the provisions of the ~~[Family Opportunity]~~
14 Individual Development Accounts Act.

15 B. The director shall make an annual report each
16 November to the governor and to the legislative finance
17 committee.

18 C. The ~~[office]~~ division shall use no more than
19 five percent of the money appropriated to fund the ~~[Family~~
20 ~~Opportunity]~~ Individual Development Accounts Act to administer
21 that act."

22 Section 6. Section 58-30-6 NMSA 1978 (being Laws 2003,
23 Chapter 362, Section 6, as amended) is amended to read:

24 "58-30-6. ~~[FAMILY OPPORTUNITY]~~ INDIVIDUAL DEVELOPMENT
25 ACCOUNTS COUNCIL.--

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1 A. The "~~[family opportunity]~~ individual development
2 accounts council" is created. The council shall:

3 (1) provide oversight of the administration of
4 the ~~[Family Opportunity]~~ Individual Development Accounts Act;
5 ~~[and]~~

6 (2) suggest possible changes that benefit
7 account owners or improve the effectiveness of the ~~[family~~
8 ~~opportunity]~~ individual development accounts programs
9 throughout the state; and

10 (3) obtain subject matter expertise through
11 attendance at conferences and workshops related to asset-
12 building strategies.

13 B. The ~~[family opportunity]~~ individual development
14 accounts council shall meet at least two times in a calendar
15 year to perform its duties.

16 C. The ~~[family opportunity]~~ individual development
17 accounts council shall consist of the lieutenant governor or
18 the lieutenant governor's designee and eight members appointed
19 by the governor to represent the state geographically. The
20 director or the director's designee shall serve as an ex-
21 officio member of the council.

22 D. Appointed members of the ~~[family opportunity]~~
23 individual development accounts council shall receive per diem
24 and mileage pursuant to the Per Diem and Mileage Act for
25 attendance at required meetings and at authorized conferences

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1 and workshops and shall receive no other compensation,
2 perquisite or allowance for their participation on the council.

3 E. The [~~office~~] division shall provide adequate
4 staff support and administrative services for the [~~family~~
5 ~~opportunity~~] individual development accounts council."

6 Section 7. Section 58-30-7 NMSA 1978 (being Laws 2003,
7 Chapter 362, Section 7, as amended) is amended to read:

8 "58-30-7. ADMINISTRATION OF [~~FAMILY OPPORTUNITY~~]
9 INDIVIDUAL DEVELOPMENT ACCOUNTS PROGRAMS.--

10 A. [~~A family opportunity~~] An individual development
11 account may be established for an eligible individual; provided
12 that the money deposited in the account is expended for
13 allowable uses for the account owner or the account owner's
14 spouse or dependents unless otherwise approved by the program
15 administrator.

16 B. [~~A family opportunity~~] An individual development
17 accounts program shall be approved and monitored by the
18 director for compliance with applicable law, the [~~Family~~
19 ~~Opportunity~~] Individual Development Accounts Act and rules
20 adopted pursuant to that act.

21 C. The program administrator shall establish a
22 reserve account sufficient to meet the matching fund
23 commitments made to all account owners participating in the
24 [~~family opportunity~~] individual development accounts program
25 and shall report at least quarterly to each account owner the

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1 amount of money available in the reserve account for use by the
2 program administrator to match withdrawals for allowable uses.
3 Notwithstanding any matching commitment otherwise required, the
4 amount of state funds deposited in a reserve account during a
5 calendar year to match deposits from any single account owner
6 shall not exceed the higher of:

7 (1) two thousand dollars (\$2,000); or

8 (2) an amount determined by rule of the
9 [~~office~~] division.

10 D. The program administrator shall provide
11 financial education and other necessary training pertinent to
12 allowable uses by account owners, develop partnerships with
13 financial institutions, develop matching funds and manage the
14 operations of [~~a family opportunity~~] an individual development
15 account that is established within the program.

16 E. An eligible individual may open [~~a family~~
17 ~~opportunity~~] an individual development account upon
18 verification by the program administrator that the individual
19 maintains no other [~~family opportunity~~] individual development
20 account.

21 F. More than one eligible individual per household
22 may hold [~~a family opportunity~~] an individual development
23 account.

24 G. An account owner shall complete a financial
25 education program prior to the withdrawal of money from the

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1 account owner's [~~family opportunity~~] individual development
2 account unless written approval is obtained from the program
3 administrator."

4 Section 8. Section 58-30-8 NMSA 1978 (being Laws 2003,
5 Chapter 362, Section 8, as amended) is amended to read:

6 "58-30-8. ALLOWABLE USES--WITHDRAWALS FROM [~~FAMILY~~
7 ~~OPPORTUNITY~~] INDIVIDUAL DEVELOPMENT ACCOUNTS--FORFEITURE OF
8 MATCHING FUNDS FROM RESERVE ACCOUNT--LOSS OF ELIGIBLE
9 INDIVIDUAL STATUS.--

10 A. Allowable uses of the money withdrawn from [~~a~~
11 ~~family opportunity~~] an individual development account are
12 limited to the following:

13 (1) expenses to attend an approved post-
14 secondary or vocational educational institution, including
15 payment for tuition, books, supplies and equipment required for
16 courses;

17 (2) costs to acquire or construct a principal
18 residence as defined in rules adopted pursuant to the [~~Family~~
19 ~~Opportunity~~] Individual Development Accounts Act that is the
20 first principal residence acquired or constructed by the
21 account owner;

22 (3) costs of major home improvements or
23 repairs on the home of the account owner;

24 (4) capitalization or costs to start or expand
25 a business, including capital, plant, equipment, operational

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1 and inventory expenses, attorney and accountant fees and other
2 costs normally associated with starting or expanding a
3 business;

4 (5) acquisition of a vehicle necessary to
5 obtain or maintain employment by an account owner or the spouse
6 of an account owner; and

7 (6) in the case of a deceased account owner,
8 amounts deposited by the account owner and held in [~~a family~~
9 ~~opportunity~~] an individual development account shall be
10 distributed directly to the account owner's spouse, or if the
11 spouse is deceased or there is no spouse, to a dependent or
12 other named beneficiary of the deceased or if the recipient is
13 eligible to maintain the account, the account and matching
14 funds designated for that account from a reserve account may be
15 transferred and maintained in the name of the surviving spouse,
16 dependent or beneficiary.

17 B. Allowable uses of the money withdrawn from an
18 individual development account for account owners qualifying as
19 eligible individuals pursuant to the provisions of Subsection C
20 of Section 58-30-4 NMSA 1978 are limited to expenses to attend
21 an approved post-secondary or vocational educational
22 institution, including payment for tuition, books, supplies and
23 equipment required for courses.

24 [~~B.~~] C. Except as provided in Subsection [~~G~~] D of
25 this section, if an account owner withdraws money from [~~a~~

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1 ~~family opportunity~~ an individual development account for a use
2 other than an allowable use, the account owner forfeits a
3 proportionate amount of matching funds from the reserve
4 account, as set forth in the agreement between the program
5 administrator and the account owner.

6 ~~[G.]~~ D. The program administrator may approve a
7 withdrawal by an account owner from ~~[a family opportunity]~~ an
8 individual development account to be used for a purpose other
9 than an allowable use only for serious emergencies as specified
10 in the rules adopted by the ~~[office]~~ division. For such an
11 approved withdrawal, the proportionate matching funds in the
12 reserve account shall remain in the reserve account for twelve
13 months following the withdrawal and, if an amount equal to the
14 withdrawn money is redeposited in the ~~[family opportunity]~~
15 individual development account within the twelve months, the
16 matching funds shall again be available to match withdrawals
17 for allowable uses.

18 ~~[D.]~~ E. At the request of the account owner and
19 with the written approval of the program administrator, amounts
20 may be withdrawn from the account owner's ~~[family opportunity]~~
21 individual development account and deposited in another ~~[family~~
22 ~~opportunity]~~ individual development account established for an
23 eligible individual who is the account owner's spouse or
24 dependent."

25 Section 9. Section 58-30-9 NMSA 1978 (being Laws 2003,

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1 Chapter 362, Section 9, as amended) is amended to read:

2 "58-30-9. APPROVAL OF [~~FAMILY OPPORTUNITY~~] INDIVIDUAL
3 DEVELOPMENT ACCOUNTS PROGRAMS.--

4 A. The [~~office~~] division shall issue a request for
5 proposals from nonprofit organizations or tribes interested in
6 establishing [~~a family opportunity~~] an individual development
7 accounts program. A proposal submitted in response to the
8 request shall:

9 (1) describe the geographic area to be served
10 and the potential individuals who will be assisted by the
11 program;

12 (2) state the amount, if any, of requested
13 distributions of state money from the [~~family opportunity~~]
14 individual development fund;

15 (3) describe the source and the amount of
16 private or other public funds, if any, that will be used to
17 supplement the requested distributions from the [~~family~~
18 ~~opportunity~~] individual development fund;

19 (4) state the amount, not to be less than one
20 dollar (\$1.00), that will be deposited in the reserve account
21 for each dollar deposited in [~~a family opportunity~~] an
22 individual development account;

23 (5) describe the expertise, experience and
24 other qualifications of the proposer and its employees; and

25 (6) contain such other information as required

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1 in the request for proposals and rules of the director.

2 B. The director shall determine if an interested
3 nonprofit organization or tribe is eligible to be a program
4 administrator, determine the legal sufficiency of submitted
5 proposals, evaluate the proposals and, after consulting with
6 the [~~family opportunity~~] individual development accounts
7 council, select the program administrators.

8 C. In selecting program administrators, the
9 director shall:

10 (1) ensure that geographically diverse
11 populations throughout New Mexico will be served by [~~family~~
12 ~~opportunity~~] individual development accounts programs; and

13 (2) ensure that a substantial number of
14 [~~family opportunity~~] individual development accounts will serve
15 families in which one or more children are living with their
16 biological or adoptive mother or father, or with their legal
17 guardian.

18 D. The director shall enter into contracts with the
19 selected program administrators.

20 E. The director shall approve [~~a family~~
21 ~~opportunity~~] an individual development accounts program
22 submitted by a program administrator before the program
23 establishes [~~family opportunity~~] individual development
24 accounts or reserve accounts or provides services required by
25 the [~~Family Opportunity~~] Individual Development Accounts Act to

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1 eligible individuals.

2 F. [~~A family opportunity~~] An individual development
3 account and a reserve account may be established only in an
4 authorized financial institution.

5 G. The director shall monitor all [~~family~~
6 ~~opportunity~~] individual development accounts programs to ensure
7 that [~~family opportunity~~] individual development accounts and
8 reserve accounts are being operated according to the contract
9 provisions, federal law, the provisions of the [~~Family~~
10 ~~Opportunity~~] Individual Development Accounts Act and rules
11 adopted pursuant to that act."

12 Section 10. Section 58-30-10 NMSA 1978 (being Laws 2003,
13 Chapter 362, Section 10, as amended) is amended to read:

14 "58-30-10. TERMINATION OF [~~FAMILY OPPORTUNITY~~] INDIVIDUAL
15 DEVELOPMENT ACCOUNTS PROGRAMS.--

16 A. [~~A family opportunity~~] An individual development
17 accounts program shall be terminated if the:

18 (1) [~~office~~] division determines that the
19 program is not being operated pursuant to the provisions of the
20 contract between the program administrator and the director,
21 the [~~Family Opportunity~~] Individual Development Accounts Act or
22 rules adopted pursuant to that act;

23 (2) provider of the program no longer retains
24 its status as a program administrator; or

25 (3) program administrator chooses to cease

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1 providing [~~a family opportunity~~] an individual development
2 accounts program.

3 B. Upon termination of [~~a family opportunity~~] an
4 individual development accounts program, the director shall
5 administer the program until a qualified program administrator
6 is selected to administer the program. If, after a reasonable
7 period, the director is unable to identify and certify a
8 program administrator to assume the authority to continue to
9 operate a terminated [~~family opportunity~~] individual
10 development accounts program, money in a reserve account shall
11 be deposited into the [~~family opportunity~~] individual
12 development accounts of the account owners for whom the
13 proportionate share of the reserve account was established as
14 of the first day of termination of the program."

15 Section 11. Section 58-30-11 NMSA 1978 (being Laws 2003,
16 Chapter 362, Section 11, as amended) is amended to read:

17 "58-30-11. REPORTING.--A program administrator operating
18 [~~a family opportunity~~] an individual development accounts
19 program pursuant to the [~~Family Opportunity~~] Individual
20 Development Accounts Act shall report at least annually to the
21 director, as set forth in the rules of the [~~office~~] division.
22 Individual account owners shall not be identified in the
23 report. The report shall include:

24 A. the number of eligible individuals making
25 contributions to [~~family opportunity~~] individual development

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1 accounts;

2 B. the total money contributed to each [~~family~~
3 ~~opportunity~~] individual development account and deposited into
4 each reserve account;

5 C. the total money in the aggregate deposited in
6 [~~family opportunity~~] individual development accounts and
7 reserve accounts administered by the [~~family opportunity~~]
8 individual development accounts program;

9 D. the amounts withdrawn from [~~family opportunity~~]
10 individual development accounts for either allowable uses or
11 for uses other than allowable uses and the amounts withdrawn
12 from reserve accounts;

13 E. the balances remaining in [~~family opportunity~~]
14 individual development accounts and reserve accounts; and

15 F. other information requested by the director to
16 monitor the costs and outcomes of the [~~family opportunity~~]
17 individual development accounts program."

18 Section 12. Section 58-30-12 NMSA 1978 (being Laws 2003,
19 Chapter 362, Section 12, as amended) is amended to read:

20 "58-30-12. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF
21 CERTAIN MEANS-TESTED PROGRAMS.--

22 A. Money deposited into [~~a family opportunity~~] an
23 individual development account, interest earned on that account
24 and interest and matching funds deposited in a reserve account
25 for the benefit of the account owners shall be disregarded for

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1 the purposes of determining eligibility for benefits and for
2 determining benefit amounts pursuant to the New Mexico Works
3 Act.

4 B. When determining eligibility for benefits and
5 determining benefit amounts due under the food stamp program
6 and medicaid, the human services department shall, pursuant to
7 the authority granted by 7 USCA 2014 (d) and (g), disregard
8 money deposited into [~~a family opportunity~~] an individual
9 development account, interest earned on that account and
10 interest and matching funds deposited in a reserve account for
11 the benefit of the account owners.

12 C. Money withdrawn from [~~a family opportunity~~] an
13 individual development account for a purpose other than an
14 allowable use shall be counted as a resource for purposes of
15 the New Mexico Works Act or medicaid unless the withdrawal is
16 approved by the program administrator and an amount equal to
17 the amount withdrawn is replaced within the twelve-month
18 allowable time period pursuant to Subsection [€] D of Section
19 58-30-8 NMSA 1978."

20 Section 13. Section 58-30-13 NMSA 1978 (being Laws 2006,
21 Chapter 96, Section 13) is amended to read:

22 "58-30-13. INDIVIDUAL DEVELOPMENT FUND CREATED.--The
23 "[~~family opportunity~~] individual development fund" is created
24 in the state treasury. The fund shall consist of
25 appropriations, gifts, grants, donations and bequests made to

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1 the fund. Income from the fund shall be credited to the fund,
2 and money in the fund shall not be transferred to any other
3 fund at the end of a fiscal year. Money in the fund is
4 appropriated to the [~~office of workforce training and~~
5 ~~development~~] division for the purposes of carrying out the
6 provisions of the [~~Family Opportunity~~] Individual Development
7 Accounts Act. Expenditures shall be made on warrant of the
8 secretary of finance and administration [~~on~~] pursuant to
9 vouchers signed by the director [~~of the office of workforce~~
10 ~~training and development~~] or the director's designee."

11 Section 14. Section 27-2B-7 NMSA 1978 (being Laws 1998,
12 Chapter 8, Section 7 and Laws 1998, Chapter 9, Section 7, as
13 amended) is amended to read:

14 "27-2B-7. FINANCIAL STANDARD OF NEED.--

15 A. The secretary shall adopt a financial standard
16 of need based upon the availability of federal and state funds
17 and based upon appropriations by the legislature of the
18 available federal temporary assistance for needy families grant
19 made pursuant to the federal act in the following categories:

- 20 (1) cash assistance;
- 21 (2) child care services;
- 22 (3) other services; and
- 23 (4) administrative costs.

24 The legislature shall determine the actual percentage of
25 each category to be used annually of the federal temporary

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1 assistance for needy families grant made pursuant to the
2 federal act.

3 B. The following income sources are exempt from the
4 gross income test, the net income test and the cash payment
5 calculation:

- 6 (1) medicaid;
- 7 (2) food stamps;
- 8 (3) government-subsidized foster care payments
9 if the child for whom the payment is received is also excluded
10 from the benefit group;
- 11 (4) supplemental security income;
- 12 (5) government-subsidized housing or housing
13 payments;
- 14 (6) federally excluded income;
- 15 (7) educational payments made directly to an
16 educational institution;
- 17 (8) government-subsidized child care;
- 18 (9) earned income that belongs to a person
19 seventeen years of age or younger who is not the head of
20 household;
- 21 (10) fifty dollars (\$50.00) of collected child
22 support passed through to the participant by the department's
23 child support enforcement program;
- 24 (11) earned income deposited in [~~a family~~
25 ~~opportunity~~] an individual development account by a member of

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1 the benefit group or money received as matching funds for
2 allowable uses by the owner of the [~~family opportunity~~]
3 individual development account pursuant to the [~~Family~~
4 ~~Opportunity~~] Individual Development Accounts Act; and

5 (12) other income sources as determined by the
6 department.

7 C. The total countable gross earned and unearned
8 income of the benefit group cannot exceed eighty-five percent
9 of the federal poverty guidelines for the size of the benefit
10 group.

11 D. For a benefit group to be eligible to
12 participate:

13 (1) gross countable income that belongs to the
14 benefit group must not exceed eighty-five percent of the
15 federal poverty guidelines for the size of the benefit group;
16 and

17 (2) net countable income that belongs to the
18 benefit group must not equal or exceed the financial standard
19 of need after applying the disregards set out in Paragraphs (1)
20 through (4) of Subsection E of this section.

21 E. Subject to the availability of state and federal
22 funds, the department shall determine the cash payment of the
23 benefit group by applying the following disregards to the
24 benefit group's earned income and then subtracting that amount
25 from the benefit group's financial standard of need:

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1 (1) for the first two years of receiving cash
2 assistance or services, if a participant works over the work
3 requirement rate set by the department pursuant to the New
4 Mexico Works Act, one hundred percent of the income earned by
5 the participant beyond that rate;

6 (2) for the first two years of receiving cash
7 assistance or services, for a two-parent benefit group in which
8 one parent works over thirty-five hours per week and the other
9 works over twenty-four hours per week, one hundred percent of
10 income earned by each participant beyond the work requirement
11 rate set by the department;

12 (3) one hundred twenty-five dollars (\$125) of
13 monthly earned income and one-half of the remainder, or for a
14 two-parent family, two hundred twenty-five dollars (\$225) of
15 monthly earned income and one-half of the remainder for each
16 parent;

17 (4) monthly payments made for child care at a
18 maximum of two hundred dollars (\$200) for a child under two
19 years of age and at a maximum of one hundred seventy-five
20 dollars (\$175) for a child two years of age or older;

21 (5) costs of self-employment income; and

22 (6) business expenses.

23 F. The department may recover overpayments of cash
24 assistance on a monthly basis not to exceed fifteen percent of
25 the financial standard of need applicable to the benefit

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underscored material = new
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1 group."

2 Section 15. Section 27-2B-8 NMSA 1978 (being Laws 1998,
3 Chapter 8, Section 8 and Laws 1998, Chapter 9, Section 8, as
4 amended) is amended to read:

5 "27-2B-8. RESOURCES.--

6 A. Liquid and nonliquid resources owned by the
7 benefit group shall be counted in the eligibility
8 determination.

9 B. A benefit group may at a maximum own the
10 following resources:

11 (1) two thousand dollars (\$2,000) in nonliquid
12 resources;

13 (2) one thousand five hundred dollars (\$1,500)
14 in liquid resources;

15 (3) the value of the principal residence of
16 the participant;

17 (4) the value of burial plots and funeral
18 contracts for family members;

19 (5) [~~family opportunity~~] individual
20 development accounts; and

21 (6) the value of work-related equipment up to
22 one thousand dollars (\$1,000).

23 C. Vehicles owned by the benefit group shall not be
24 considered in the determination of resources attributed to the
25 benefit group."

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1 Section 16. Section 27-2B-10 NMSA 1978 (being Laws 1998,
2 Chapter 8, Section 10 and Laws 1998, Chapter 9, Section 10, as
3 amended) is amended to read:

4 "27-2B-10. [~~FAMILY OPPORTUNITY~~] INDIVIDUAL DEVELOPMENT
5 ACCOUNTS.--A participant may establish [~~a family opportunity~~]
6 an individual development account pursuant to the [~~Family~~
7 ~~Opportunity~~] Individual Development Accounts Act."

8 Section 17. Section 27-2D-6 NMSA 1978 (being Laws 2003,
9 Chapter 317, Section 6, as amended) is amended to read:

10 "27-2D-6. RESOURCES.--

11 A. Liquid and nonliquid resources owned by the
12 benefit group shall be counted in the eligibility
13 determination.

14 B. A benefit group may at a maximum own the
15 following resources:

16 (1) two thousand dollars (\$2,000) in nonliquid
17 resources;

18 (2) one thousand five hundred dollars (\$1,500)
19 in liquid resources;

20 (3) the value of the principal residence of
21 the participant;

22 (4) the value of burial plots and funeral
23 contracts for family members;

24 (5) [~~family opportunity~~] individual
25 development accounts; and

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1 (6) the value of work-related equipment up to
2 one thousand dollars (\$1,000).

3 C. Vehicles owned by the benefit group shall not be
4 considered in the determination of resources attributed to the
5 benefit group."

6 Section 18. APPROPRIATIONS.--

7 A. Two hundred fifty thousand dollars (\$250,000) is
8 appropriated from the general fund to the individual
9 development fund for expenditure in fiscal year 2008 and
10 subsequent fiscal years for the purpose of carrying out the
11 provisions of the Individual Development Accounts Act for
12 account owners residing in counties not currently serviced by
13 contractors for the individual development accounts program.
14 Any unexpended or unencumbered balance remaining at the end of
15 a fiscal year shall not revert to the general fund.

16 B. Seven hundred fifty thousand dollars (\$750,000)
17 is appropriated from the general fund to the individual
18 development fund for expenditure in fiscal year 2008 and
19 subsequent fiscal years for the purpose of carrying out the
20 provisions of the Individual Development Accounts Act for
21 account owners qualifying as eligible individuals pursuant to
22 the provisions of Subsection C of Section 58-30-4 NMSA 1978.
23 Any unexpended or unencumbered balance remaining at the end of
24 a fiscal year shall not revert to the general fund.

25 Section 19. EFFECTIVE DATE.--The effective date of the

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1 provisions of this act is July 1, 2007.

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