

1 SENATE BILL 166

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Gerald Ortiz y Pino

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10 AN ACT

11 RELATING TO STATE EMPLOYEES; PROVIDING A STATE EMPLOYEE WITH
12 THE OPTION OF HAVING CERTAIN LOAN REPAYMENTS PAID DIRECTLY OUT
13 OF THE EMPLOYEE'S SALARY OR WAGES.

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

16 SECTION 1. Section 10-7-2 NMSA 1978 (being Laws 1933,
17 Chapter 157, Section 1, as amended) is amended to read:

18 "10-7-2. SALARIES AND WAGES--RULES--DIRECT DEPOSIT--LOAN
19 REPAYMENT.--

20 A. Persons employed by and on behalf of the state,
21 except those employed by institutions of higher education,
22 including all officers, shall receive their salaries or wages
23 for services rendered in accordance with rules issued by the
24 department of finance and administration.

25 B. The department of finance and administration may

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1 require the automatic direct deposit of a state employee's
2 salary or wages into the employee's account, or into an account
3 established by the department on behalf of the employee, in a
4 financial institution authorized by the United States or one of
5 the several states to receive deposits in the United States.
6 The department of finance and administration shall adopt rules
7 governing the automatic direct deposit of salary or wages.
8 Those rules shall provide the circumstances under which a state
9 employee may, with the approval of the department of finance
10 and administration, withdraw from or elect not to participate
11 in automatic direct deposit.

12 C. The department of finance and administration
13 shall provide the circumstances under which, in collaboration
14 with a qualified lender, a state employee may elect to have a
15 portion of the state employee's salary or wages, the amount to
16 be determined by the state employee, to be sent directly to a
17 qualified lender to repay a loan made to a state employee;
18 provided that the:

19 (1) repayment amount does not exceed twelve
20 percent of the gross amount of the state employee's pay per pay
21 period;

22 (2) service is provided at no charge to the
23 state as an employer;

24 (3) state does not provide any of the loan
25 principal;

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underscoring material = new
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1 (4) state does not take on any risk based on a
2 loan made pursuant to this section;

3 (5) state is not involved in any loan approval
4 decisions; and

5 (6) annual percentage rate of any loans made
6 to a state employee pursuant to this section does not exceed
7 thirty percent plus the United States prime interest rate at
8 the time of the loan.

9 D. As used in this section, "qualified lender"
10 means a loan company that is licensed pursuant to, or exempted
11 from, the New Mexico Small Loan Act of 1955."

12 SECTION 2. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2017.