

HOUSE BILL 542

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

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

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

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recipient;

B. "department" means the higher education department;

C. "loan" means a grant of money to defray the costs incidental to a recipient's education under a contract between the federal government or a commercial lender and a recipient requiring repayment of principal with interest; and

D. "recipient" means a HSEIC→**licensed**
certified←HSEIC law enforcement officer or a correctional officer who receives an award pursuant to the Law Enforcement and Correctional Officer Loan Repayment Act.

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

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

B. A recipient shall be a HSEIC→**licensed**
certified←HSEIC law enforcement officer or correctional officer and shall be a citizen of the United States and a bona fide resident of New Mexico.

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

D. The department shall assist recipients in

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locating employment in areas of need.

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

SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

A. Award criteria shall provide that:

- (1) amounts shall be dependent upon the recipient's total education indebtedness;
- (2) preference in making awards shall be to individuals who have graduated from a New Mexico post-secondary educational institution;
- (3) preference in making awards shall be to individuals who agree to relocate to areas of need in underserved areas, as defined by the department in collaboration with the department of public safety and the corrections department;
- (4) award amounts may be modified based upon available funding or other special circumstances; and
- (5) an award shall not exceed the total education indebtedness of any participant.

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

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

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

(3) personal loans from friends or relatives; and

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

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

D. Recipients shall serve a complete year as a HSEIC→certified and commissioned←HSEIC law enforcement officer or a correctional officer to receive credit for that year. The minimum credit for a year shall be established by the department.

E. If a recipient does not comply with the terms of the contract, the department shall assess a penalty of up to three times the amount of the award disbursed plus eighteen

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percent interest, unless the department finds acceptable extenuating circumstances for why the recipient cannot comply with the terms of the contract. If the department does not find acceptable extenuating circumstances for the law enforcement officer's or correctional officer's failure to comply with the contract, the department shall require immediate repayment plus the amount of the penalty.

F. The department shall adopt rules to implement the provisions of the Law Enforcement and Correctional Officer Loan Repayment Act. The rules may provide for the disbursement of loan repayment awards to the lenders of recipients in annual or other periodic installments.

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

SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF PAYMENT.--The "law enforcement and correctional officer loan repayment fund" is created in the state treasury. All money appropriated for loans to law enforcement officers and correctional officers under the Law Enforcement and Correctional Officer Loan Repayment Act shall be credited to

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the fund, and all payments for penalties or repayment of awards received by the department shall be credited to the fund or shall be deposited with the department's administrative agent. All payments for loan repayment awards shall be made upon vouchers signed by the secretary of higher education or the secretary's designee designated upon warrants issued by the secretary of finance and administration. Any unexpended or unencumbered balance remaining in the fund at the end of a fiscal year shall not revert to the general fund.

SECTION 8. [NEW MATERIAL] CANCELLATION.--The department may cancel any contract made between it and any recipient for any reasonable cause deemed sufficient by the department.

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

SECTION 10. APPROPRIATION.--Two hundred fifty thousand dollars (\$250,000) is appropriated from the general fund to the law enforcement and correctional officer loan repayment fund for expenditure in fiscal year 2020 and subsequent fiscal years for the purposes of the law enforcement and correctional officer loan repayment fund. Any unexpended or unencumbered

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balance remaining at the end of a fiscal year shall not revert to the general fund.

SECTION 11. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.

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