

1 HOUSE BILL 274

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Linda Serrato

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10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; ENACTING THE RETURN AND
12 RELOCATION ACT; DIRECTING THE ECONOMIC DEVELOPMENT DEPARTMENT
13 TO CREATE A LOAN REPAYMENT PILOT PROGRAM TO ASSIST BUSINESSES
14 TO RECRUIT AND RETAIN ELIGIBLE PARTICIPANTS; CREATING A FUND;
15 MAKING AN APPROPRIATION.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
19 cited as the "Return and Relocation Act".

20 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
21 Return and Relocation Act:

22 A. "award" means a written commitment from the
23 department to an eligible organization agreeing to repay or
24 reduce the loan of an eligible participant hired by an eligible
25 organization;

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1 B. "department" means the economic development
2 department;

3 C. "eligible organization" means:

4 (1) an employer in the state;

5 (2) a business owned or operated by an
6 eligible participant; or

7 (3) a business employing an eligible
8 participant;

9 D. "eligible participant" means a person who has
10 moved to the state in the last year and graduated from a high
11 school, college or university, public or private, including a
12 junior college or vocational, technical, business or
13 professional school, or received a general educational
14 development certificate in the state;

15 E. "loan" means a grant of money to defray the
16 costs incidental to an education, under a contract between the
17 federal government or a commercial lender and an eligible
18 participant, requiring repayment of principal and interest;

19 F. "loan repayment pilot program" means a program
20 to provide a loan repayment award for eligible organizations to
21 recruit, hire and retain eligible participants in accordance
22 with the provisions of the Return and Relocation Act; and

23 G. "recipient" means an eligible participant with a
24 loan who is hired by an eligible organization and approved for
25 loan repayment by the department.

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1 SECTION 3. [NEW MATERIAL] LOAN REPAYMENT PILOT PROGRAM--
2 DEPARTMENT POWERS AND DUTIES--PARTICIPANT ELIGIBILITY--
3 QUALIFICATIONS.--

4 A. The department shall create a statewide "loan
5 repayment pilot program" to assist businesses to recruit and
6 retain eligible participants. The department may grant an
7 award to an eligible organization to repay a recipient's loans
8 obtained for educational expenses upon such terms and
9 conditions as may be imposed by rules of the department.

10 B. The recipient shall be a full-time employee of
11 an eligible organization.

12 C. An eligible participant shall provide
13 documentation to the department in the form of a copy of a
14 diploma or a transcript to verify eligibility where applicable.

15 D. The department shall be allowed up to three
16 percent of expenditures in each fiscal year for administration
17 of the loan repayment pilot program.

18 SECTION 4. [NEW MATERIAL] DELEGATION OF DUTIES.--The
19 department may delegate to other agencies or contract for the
20 performance of services required by the provisions of the
21 Return and Relocation Act.

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

24 A. An eligible organization seeking an award to be
25 used to offer loan repayment to a new eligible participant

1 shall file an application with the department.

2 B. The department shall establish award criteria
3 providing that:

4 (1) amounts shall be dependent upon the type
5 of participant the eligible organization recruits;

6 (2) recruitment awards shall be made to
7 eligible organizations that provide the department with
8 documentation that the organization has hired an eligible
9 participant in a full-time position;

10 (3) increased awards shall be given to an
11 eligible participant who works in a county where:

12 (a) the average annual unemployment rate
13 exceeds the average annual unemployment rate in the state; or

14 (b) the average annual wage is lower
15 than the average annual wage in the state;

16 (4) priority and increased awards shall be
17 given to an eligible participant who graduated from a high
18 school, college or university in the state, public or private,
19 including a junior college or vocational, technical, business
20 or professional school, or who received a general educational
21 development certificate in the state;

22 (5) an award amount shall not exceed the total
23 education indebtedness of any recipient; and

24 (6) award amounts may be modified based upon
25 available funding or other special circumstances.

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1 SECTION 6. ~~[NEW MATERIAL]~~ AWARDS.--

2 A. The department shall make awards to eligible
3 organizations.

4 B. The department shall make a full and careful
5 investigation of the ability, character and qualifications of
6 each eligible participant to determine fitness to become a
7 recipient in the loan repayment pilot program.

8 C. The following education debts are not eligible
9 for repayment pursuant to the Return and Relocation Act:

10 (1) amounts incurred as a result of
11 participation in state loan-for-service programs or other state
12 programs whose purpose states that service be provided in
13 exchange for financial assistance;

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

16 (3) personal loans from friends or relatives;

17 (4) loans that exceed individual standard
18 school expense levels; or

19 (5) loans that are being repaid or reduced
20 through other loan repayment programs.

21 D. The department shall enter into a loan repayment
22 agreement, evidenced by a contract between the recipient and
23 the department acting on behalf of the state. The contract
24 shall provide for the payment by the state of a stated sum to
25 the recipient's lenders and shall state the obligations of the

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1 recipient under the program, including a minimum two-year
2 period of service, quarterly reporting requirements and other
3 policies established by the department.

4 E. Recipients shall serve a full quarter of service
5 and shall request approval of that service upon submission of a
6 report certifying completion of the service. The minimum
7 credit for a quarter shall be established by the department.

8 F. If a recipient does not comply with the terms of
9 the contract, the department shall terminate the contract
10 unless the department finds acceptable extenuating
11 circumstances for why the recipient cannot serve or comply with
12 the terms of the contract, in which case the department may
13 temporarily suspend the contract.

14 G. The department shall adopt rules to implement
15 the provisions of this section. The rules may provide for the
16 disbursement of loan repayment awards directly to the lenders
17 of recipients in periodic installments.

18 SECTION 7. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
19 general form of the contract required shall be prepared and
20 approved by the office of the attorney general and signed by
21 the recipient and the designated representative of the
22 department on behalf of the state.

23 SECTION 8. [NEW MATERIAL] FUND CREATED--DISTRIBUTIONS.--
24 The "relocation loan repayment fund" is created as a
25 nonreverting fund in the state treasury. The fund is composed
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1 of appropriations, donations and money earned from investment
2 of the fund and otherwise accruing to the fund. Money in the
3 fund is appropriated to the department to provide a revenue
4 stream to finance the activities of the Return and Relocation
5 Act. All money appropriated for the loan repayment pilot
6 program shall be credited and deposited to the fund. All
7 payments for awards shall be made upon vouchers signed by the
8 designated representative of the department and upon warrant
9 issued by the secretary of finance and administration.
10 Balances remaining in the fund at the end of a fiscal year
11 shall not revert.

12 SECTION 9. [NEW MATERIAL] CANCELLATION.--The department
13 may cancel any contract made between the department and any
14 recipient for any reasonable cause deemed sufficient by the
15 department.

16 SECTION 10. [NEW MATERIAL] REPORTS.--The department shall
17 make annual reports to the governor and the legislature prior
18 to each regular session of its activities, the awards granted,
19 the names and addresses of award recipients, the number of
20 eligible participants who relocated to the state and where in
21 the state the eligible participants relocated, information on
22 the skill sets of the eligible participants and information on
23 who, if anyone, accompanied an eligible participant in
24 relocating to the state.

25 SECTION 11. APPROPRIATION.--Two hundred fifty thousand
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1 dollars (\$250,000) is appropriated from the general fund to the
2 relocation loan repayment fund for expenditure in fiscal year
3 2022 and subsequent fiscal years to carry out the purpose of
4 the Return and Relocation Act. Any unexpended or unencumbered
5 balance remaining at the end of a fiscal year shall not revert
6 to the general fund.

7 SECTION 12. DELAYED REPEAL.--Sections 1 through 10 of
8 this act are repealed effective July 1, 2024.

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