

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE SUBSTITUTE
FOR
HOUSE BILL 274

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

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; ENACTING THE RETURN AND
RELOCATION ACT; DIRECTING THE ECONOMIC DEVELOPMENT DEPARTMENT
TO CREATE A LOAN REPAYMENT PILOT PROGRAM TO ASSIST BUSINESSES
TO RECRUIT AND RETAIN ELIGIBLE PARTICIPANTS; CREATING A FUND;
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 "Return and Relocation Act".

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

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

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;

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

15 F. "loan repayment pilot program" means a program
16 to provide a loan repayment award for eligible organizations to
17 recruit, hire and retain eligible participants in accordance
18 with the provisions of the Return and Relocation Act; and

19 G. "recipient" means an eligible participant with a
20 loan who is hired by an eligible organization and approved for
21 loan repayment by the department.

22 SECTION 3. [NEW MATERIAL] LOAN REPAYMENT PILOT PROGRAM--
23 DEPARTMENT POWERS AND DUTIES--PARTICIPANT ELIGIBILITY--
24 QUALIFICATIONS.--

25 A. The department shall create a statewide "loan

1 repayment pilot program" to assist businesses to relocate
2 eligible participants to the state. The department may grant
3 an award on a competitive basis for the repayment of a
4 recipient's loans obtained for educational expenses upon such
5 terms and conditions as may be imposed by rules of the
6 department.

7 B. The recipient shall be a full-time employee of
8 an eligible organization.

9 C. An eligible participant shall provide
10 documentation to the department in the form of a copy of a
11 diploma or a transcript to verify eligibility where applicable.

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

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

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

21 A. An eligible organization seeking an award to be
22 used to offer loan repayment to a new eligible participant
23 shall file an application with the department.

24 B. The department shall establish award criteria
25 providing that:

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

3 (2) awards shall be made on a competitive
4 basis for loan repayment after an eligible organization
5 provides the department with documentation that the
6 organization has hired an eligible participant in a full-time
7 position;

8 (3) increased dollar amount awards shall be
9 given to an eligible participant who works in a county where:

10 (a) the average annual unemployment rate
11 exceeds the average annual unemployment rate in the state; or

12 (b) the average annual wage is lower
13 than the average annual wage in the state;

14 (4) priority and increased awards shall be
15 given to an eligible participant who graduated from a New
16 Mexico-based high school, college or university, public or
17 private, including a community college or vocational,
18 technical, business or professional school, or who received a
19 general educational development certificate;

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

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

24 SECTION 6. [NEW MATERIAL] AWARDS.--

25 A. The department shall make awards for loan

1 repayment in amounts as determined by the department depending
2 on the size of the eligible organization, the position of the
3 eligible participant in the organization and the educational
4 level of the participant.

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

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

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

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

17 (3) personal loans from friends or relatives;

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

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

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

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1 the recipient's lenders and shall state the obligations of the
 2 recipient under the program, including a two-year period of
 3 service, quarterly reporting requirements and other policies
 4 established by the department. The award amounts in a
 5 particular loan repayment agreement shall not be modified after
 6 the department enters into that agreement. The department
 7 shall not disburse an award payment until the recipient has
 8 served a full quarter of service in the state.

9 E. Recipients shall serve a full quarter of service
 10 and shall request approval of that service upon submission of a
 11 report certifying completion of the service. The minimum
 12 credit for a quarter shall be established by the department.

13 F. If a recipient does not comply with the terms of
 14 the contract, the department shall terminate the contract
 15 unless the department finds acceptable extenuating
 16 circumstances for why the recipient cannot serve or comply with
 17 the terms of the contract, in which case the department may
 18 temporarily suspend the contract.

19 G. The department shall adopt rules to implement
 20 the provisions of this section. The rules may provide for the
 21 disbursement of loan repayment awards directly to the lenders
 22 of recipients in periodic installments.

23 SECTION 7. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
 24 general form of the contract required shall be prepared and
 25 approved by the office of the attorney general and signed by

the recipient and the designated representative of the department on behalf of the state.

SECTION 8. [NEW MATERIAL] FUND CREATED--DISTRIBUTIONS.--

The "relocation loan repayment fund" is created as a nonreverting fund in the state treasury. The fund is composed of appropriations, donations and money earned from investment of the fund and otherwise accruing to the fund. Money in the fund is appropriated to the department to provide a revenue stream to finance the activities of the Return and Relocation Act. No more than two hundred fifty thousand dollars (\$250,000) shall be used for awards pursuant to the Return and Relocation Act. All money appropriated for the loan repayment pilot program shall be credited and deposited to the fund. All payments for awards shall be made upon vouchers signed by the designated representative of the department and upon warrant issued by the secretary of finance and administration. Balances remaining in the fund at the end of a fiscal year shall not revert.

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

SECTION 10. [NEW MATERIAL] REPORTS.--The department shall make annual reports to the governor and the legislature prior to each regular session of its activities, the awards granted,

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the names and addresses of award recipients, the number of eligible participants who relocated to the state and where in the state the eligible participants relocated, information on the skill sets of the eligible participants and information on who, if anyone, accompanied an eligible participant in relocating to the state.

SECTION 11. APPROPRIATION.--Four hundred thousand dollars (\$400,000) is appropriated from the general fund to the relocation loan repayment fund for expenditure in fiscal year 2022 and subsequent fiscal years to carry out the purpose of the Return and Relocation Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

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