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HOUSE BILL 583

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Bobbie K. Mallory

AN ACT

RELATING TO PUBLIC ASSISTANCE; CHANGING THE DEFINITIONS OF
HOUSEHOLD GROUP, EARNED INCOME AND UNEARNED INCOME IN THE NEW
MEXICO WORKS ACT.

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

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

"27-2B-3. DEFINITIONS. -- As used in the New Mexico Works
Act:

A. "benefit group" means a group of people that
includes at least one dependent child living with [a] his
parent, legal guardian or relative within the fifth degree of
consanguinity; or a pregnant woman;

B. "cash assistance" means cash payments funded by

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1 the temporary assistance for needy families block grant
2 pursuant to the federal act and by state funds;

3 C. "department" means the human services
4 department;

5 D. "dependent child" means a natural or adopted
6 child or ward who is eighteen years of age or younger;

7 E. "director" means the director of the income
8 support division of the department;

9 F. "earned income" includes cash or payment [~~in~~
10 ~~kind~~] that is received as wages from employment or payment in
11 lieu of wages; earnings from self-employment or earnings
12 acquired from the direct provision of services, goods or
13 property, production of goods, management of property or
14 supervision of services; [~~and all other income not classified~~
15 ~~as unearned income;~~]

16 G. "federal act" means the federal Social Security
17 Act and rules promulgated pursuant to the Social Security Act;

18 H. "federal poverty guidelines" means the level of
19 income defining poverty by family size published annually in
20 the federal register by the United States department of health
21 and human services;

22 I. "household group" means a group [~~including the~~
23 ~~benefit group of people who live together in a household,~~
24 ~~regardless of whether they are related or have a legal support~~
25 ~~responsibility for a member of the benefit group~~] of people

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1 that consists of the benefit group and any other person who
2 resides in the household:

3 (1) who is not within the fifth degree of
4 consanguinity or affinity and who has an established economic
5 relationship with any benefit group member; or

6 (2) who is within the first degree of
7 consanguinity or affinity and who has an established economic
8 relationship with any benefit group member, but does not
9 include:

- 10 [~~(1)~~] (a) landlords;
- 11 [~~(2)~~] (b) tenants; or
- 12 [~~(3)~~] (c) members of a registered
13 nonprofit organization or church who provide shelter to a
14 benefit group through a program sponsored by the nonprofit
15 organization or church;

16 J. "immigrant" means alien as defined in the
17 federal act;

18 K. "landlord" means the owner of an estate in land
19 or a rental property who has leased it to another person
20 called the tenant;

21 L. "parent" means natural parent, adoptive parent,
22 stepparent or legal guardian;

23 M "participant" means a recipient of cash
24 assistance or services or a member of a benefit group who has
25 reached the age of majority;

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N. "person" means an individual;

O. "secretary" means the secretary of the department;

P. "services" includes child-care assistance; payment for employment-related transportation costs; job search assistance; employment counseling; employment, education and job training placement; one-time payment for necessary employment-related costs; case management; or other activities whose purpose is to assist transition into employment;

Q. "tenant" means a person who pays rent for the use and occupancy of real property owned by a landlord; and

R. "unearned income" [~~includes old age, survivors and disability insurance; railroad retirement benefits; veterans administration compensation or pension; military retirement; pensions, annuities and retirement benefits; lodge or fraternal benefits; shared shelter payments; settlement payments; individual Indian money; and similar kinds of income~~] means all income that is not earned income."

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 February 23, 1999
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8 Mr. Speaker:
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10 Your CONSUMER AND PUBLIC AFFAIRS COMMITTEE, to
11 whom has been referred
12

13 HOUSE BILL 583
14

15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17 1. On page 2, line 15, after the bracket insert
18 ““established economic relationship” exists when people combine
19 their funds or resources in order to jointly make major
20 purchases such as a house or vehicle, establish shared bank
21 accounts, or combine funds so that it is not possible to
22 distinguish one person’s funds from another person’s funds”.,

23 and thence referred to the JUDICIARY COMMITTEE.
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4 Respectfully submitted,

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8 _____
9 Patsy Trujillo Knauer,
10 Chairwoman

11
12 Adopted _____
13 (Chief Clerk)

Not Adopted _____
(Chief Clerk)

14
15 Date _____

16
17 The roll call vote was 4 For 1 Against

18 Yes: 4

19 No: Vaughn

Excused: Hamilton, Hawkins

20 Absent: None
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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

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4 March 9, 1999

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7 Mr. Speaker:

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9 Your JUDICIARY COMMITTEE, to whom has been referred

10 HOUSE BILL 583, as amended

11
12 has had it under consideration and reports same with
13 recommendation that it DO PASS, amended as follows:

14
15 1. Strike Consumer and Public Affairs Committee
16 Amendment 1.

17
18 2. On page 1, line 13, before the period insert "
19 AMENDING EXEMPT INCOME SOURCES IN THE NEW MEXICO WORKS ACT".

20
21 3. On page 2, between lines 15 and 16, insert the
22 following subsection:

23 "G. "established economic relationship" means a
24 relationship that exists when people combine their funds or
25 resources in order to jointly make major purchases such as a
house or vehicle, establish shared bank accounts or combine

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4 funds so that it is not possible to distinguish one person's
5 funds from another person's funds;".

6
7 4. Reletter the succeeding subsections accordingly.

8
9 5. On page 4, between lines 19 and 20, insert the
10 following new section:

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

14
15 "27-2B-7. FINANCIAL STANDARD OF NEED. --

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

23 (1) cash assistance;

24 (2) child-care services;

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(3) other services; and

(4) administrative costs.

The legislature shall determine the actual percentage of each category to be used annually of the federal temporary assistance for needy families grant made pursuant to the federal act.

B. The cash benefit level for a benefit group not living in government-subsidized housing or receiving government-subsidized housing payments shall be increased by one hundred dollars (\$100) per month.

C. The following income sources are exempt from the gross income test, the net income test and the cash payment calculation:

(1) medicaid;

(2) food stamps;

(3) government-subsidized foster care and adoption payments if the child for whom the payment is received is also excluded from the benefit group;

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- (4) supplemental security income;
- (5) government-subsidized housing or housing payments;
- (6) federally excluded income;
- (7) educational payments made directly to an educational institution;
- (8) government-subsidized child care;
- (9) earned [~~and unearned~~] income that belongs to a person [~~eighteen~~] seventeen years of age or younger who is not the head of household;
- (10) for the first two years of receiving cash assistance or services, if a participant works over the work requirement rate set by the department pursuant to the New Mexico Works Act, one hundred percent of the income earned by the participant beyond that rate;
- (11) for the first two years of receiving cash assistance or services, for a two-parent benefit group in which one parent works over thirty-five hours per week

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and the other works over twenty-four hours per week, one hundred percent of income earned by each participant beyond the work requirement rate set by the department;

(12) unearned income that belongs to the household group but not to the benefit group; ~~and~~

(13) fifty dollars (\$50.00) of collected child support passed through to the participant by the department's child-support enforcement program; and

~~(13)~~ (14) other income sources as determined by the department.

D. Earned income over one hundred thirty percent of the federal poverty guidelines that belongs to the household group but not to the benefit group is countable income. The department shall count the entire household group to determine family size when applying the federal poverty guidelines.

E. The department shall count the entire household group to determine family size when applying the financial standard of need. For a benefit group to be eligible to participate:

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(1) gross countable earned income that belongs to the household group but not to the benefit group must not exceed one hundred eighty-five percent of the financial standard of need; and

(2) net countable earned income that belongs to the household group must not equal or exceed the financial standard of need after applying the disregards set out in Paragraphs (1) through (5) of Subsection F of this section.

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

(1) one hundred fifty dollars (\$150) of monthly earned income and one-half of the remainder, or for a two-parent family, two hundred fifty dollars (\$250) of monthly earned income and one-half of the remainder for each parent;

(2) monthly payments made for child care at a

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maximum of two hundred dollars (\$200) for a child under two years of age and at a maximum of one hundred seventy-five dollars (\$175) for a child two years of age or older;

(3) costs of self-employment income; and

(4) business expenses [and

~~(5) fifty dollars (\$50.00) of collected child support passed through to the participant by the department's child support enforcement program and then subtracting that amount from the financial standard of need].~~

G. The department may recover overpayments of cash assistance on a monthly basis not to exceed fifteen percent of the financial standard of need applicable to the benefit group. "".

2. On page 3, line 3, strike "not within" and insert in lieu thereof "beyond".

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Respectfully submitted,

R. David Pederson, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

Excused: Godbey, Luna, Rios, Sanchez

Absent: None

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