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HOUSE BILL 811

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

GAIL C. BEAM

AN ACT

RELATING TO STUDENT LOANS; ENACTING THE PUBLIC LEGAL SERVICES ASSISTANCE ACT; PROVIDING EDUCATIONAL LOAN REPAYMENT SUPPORT FOR LAWYERS SERVING PUBLIC BODIES OR INDIGENT PERSONS; CREATING AN EDUCATIONAL LOAN REPAYMENT ASSISTANCE FUND; MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE.--This act may be cited as the "Public Legal Services Assistance Act".

Section 2. PURPOSE OF ACT.--The purpose of the Public Legal Services Assistance Act is to enhance the ability of the state and its political subdivisions to attract and maintain public service lawyers and to provide for legal services for the care and maintenance of indigent persons by providing financial assistance to law school graduates whose service to the public

1 or the indigent is burdened by educational debts.

2 Section 3. DEFINITIONS. --As used in the Public Legal
3 Services Assistance Act:

4 A. "award recipient" means a person selected to
5 receive loan repayment assistance under the Public Legal
6 Services Assistance Act;

7 B. "commission" means the commission on higher
8 education;

9 C. "one year payment" means an amount equal to
10 twelve times the monthly payment required to fully repay the
11 award recipient's qualifying loans for a term defined by the
12 commission;

13 D. "qualified graduate" means any person who is a
14 graduate of a fully accredited law school in New Mexico and is a
15 resident of the state;

16 E. "qualifying employment" means full-time
17 employment in the state that substantially utilizes the legal
18 training and skills of the qualified graduate:

19 (1) with the state or with a county, school
20 district or municipality, or under contract with the state or
21 with a county, school district or municipality, in a position
22 for which there is a demonstrated need to attract and maintain
23 capable personnel, excluding a judicial clerkship; or

24 (2) with an organization that is exempt from
25 taxation under Paragraph (3), (4) or (5) of Subsection (c) of

1 Section 501 of Title 26 of the United States Code, and in which
2 the qualified graduate provides for the care or maintenance of
3 indigent persons as his primary duties; and

4 F. "qualifying loan" means an educational loan or
5 grant of money obtained by a student pursuant to a contract
6 between that student and the federal government or a commercial
7 lender used to defray the costs of education leading to a juris
8 doctor degree and that requires either repayment of principal
9 and interest for the loan or repayment in services.

10 Section 4. FUND CREATED. --The "public legal services loan
11 repayment assistance fund" is created in the state treasury.
12 Money in the fund shall not revert at the end of any fiscal
13 year. Money appropriated to the fund or accruing to it through
14 gifts, grants or bequests shall be deposited in the fund. The
15 fund shall be invested as other state funds are invested.
16 Disbursements from the fund shall be made upon warrants drawn by
17 the secretary of finance and administration pursuant to vouchers
18 signed by the executive director of the commission on higher
19 education or his designee. Money in the fund shall be used to
20 carry out the provisions of the Public Legal Services Assistance
21 Act.

22 Section 5. DELEGATION OF DUTIES. --

23 A. The commission:

24 (1) may arrange with other agencies for the
25 performance of services required by the Public Legal Services

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1 Assistance Act;

2 (2) may establish an oversight committee
3 composed of, but not limited to, representatives from the state
4 bar of New Mexico and the university of New Mexico school of law
5 to perform services required by the Public Legal Services
6 Assistance Act;

7 (3) shall establish repayment penalties for
8 individuals who do not comply with the provisions of the Public
9 Legal Services Assistance Act; and

10 (4) shall adopt regulations and procedures to
11 implement the provisions of the Public Legal Services Assistance
12 Act.

13 Section 6. ELIGIBILITY--AMOUNT OF AWARD. --

14 A. A qualified graduate who has obtained qualifying
15 employment may be awarded loan repayment assistance from the
16 public legal services loan repayment assistance fund if:

17 (1) funds are available and the qualified
18 graduate is employed in a position for which there is great
19 demonstrated need to attract and maintain capable personnel;

20 (2) the loan repayment award does not exceed
21 the one-year payment for the award recipient in either of the
22 first two years of qualifying employment;

23 (3) no less than one-third of the appropriation
24 available for loan repayment awards in the fiscal year is
25 awarded to qualified graduates in qualifying employment, unless

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1 an insufficient number of qualified applicants are employed in
2 those positions; and

3 (4) the award recipient agrees to comply with
4 all rules and regulations adopted by the commission pursuant to
5 the Public Legal Services Assistance Act.

6 Section 7. CONDITIONS FOR CONTINUING ELIGIBILITY. --An
7 award recipient shall continue to receive loan repayment
8 assistance pursuant to the Public Legal Services Assistance Act,
9 if:

10 A. the award recipient maintains residence in the
11 state and maintains qualifying employment; and

12 B. the award recipient provides documentation
13 required pursuant to rules and regulations adopted by the
14 commission to carry out the provisions of the Public Legal
15 Services Assistance Act, including proof of qualifying
16 employment, copies of income tax returns and notice of increases
17 in income.

18 Section 8. TERMINATION OF ASSISTANCE. --Loan repayment
19 assistance to an award recipient shall be terminated upon:

20 A. failure by the award recipient to maintain New
21 Mexico residency or qualifying employment; or

22 B. substantial noncompliance by the award recipient
23 with the Public Legal Services Assistance Act or the rules,
24 regulations or procedures promulgated by the commission.

25 Section 9. PAYMENT OF AWARD. --Loan repayment assistance

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1 shall occur on a monthly basis and payment shall be made
2 directly to the noteholder or lending institution.

3 Section 10. APPROPRIATION.--Thirty thousand dollars
4 (\$30,000) is appropriated from the general fund to the public
5 legal services loan repayment assistance fund for expenditure in
6 fiscal year 1998 for the purpose of carrying out the provisions
7 of the Public Legal Services Assistance Act. No more than three
8 percent of the appropriation shall be used for administrative
9 purposes. Any unexpended or unencumbered balance remaining at
10 the end of fiscal year 1998 shall not revert to the general
11 fund.

State of New Mexico
House of Representatives

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4 FORTY-THIRD LEGISLATURE
5 FIRST SESSION, 1997
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9 February 24, 1997
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11 Mr. Speaker:
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13 Your JUDICIARY COMMITTEE, to whom has been referred
14

15 HOUSE BILL 811
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17 has had it under consideration and reports same with
18 recommendation that it DO PASS, amended as follows:

19 1. On page 3, line 2, after "provides" insert "legal
20 services" and after "for" strike the remainder of the line.,
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22 and thence referred to the APPROPRIATIONS AND FINANCE
23 COMMITTEE.
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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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Respectfully submitted,

Thomas P. Foy, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 1 Against

Yes: 9

No: Alwin

Excused: M P. Garcia, Pederson, Rios

Absent: None

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