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HOUSE BILL 1223

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

INTRODUCED BY

EARLENE ROBERTS

AN ACT

RELATING TO WORK INCENTIVE DEDUCTIONS AND EARNED INCOME
DISREGARDS, INDIVIDUAL DEVELOPMENT ACCOUNTS, MICRO BUSINESS
LOANS AND OTHER ENTREPRENEURSHIP OPPORTUNITIES; DECLARING AN
EMERGENCY.

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

A new section of the Public Assistance Act is enacted to
read:

" [NEW MATERIAL] WORK INCENTIVE DEDUCTIONS AND EARNED
INCOME DISREGARDS. --To encourage persons who are receiving cash
assistance under the temporary assistance for needy families
program to seek gainful employment or self-employment and to
promote the state's policy of requiring work for those in need
of public assistance, and for any person whose benefit group
includes at least one dependent child may claim. The human

Underscored material = new
[bracketed material] = delete

1 services department shall deduct and disregard the following
2 earned income and expenses from the person's countable income in
3 determining need:

4 A. An amount, to be called the "work incentive
5 deduction", equal to the first thirty dollars (\$30.00) of the
6 total such earned income not otherwise disregarded under any
7 other clause in the temporary assistance for needy families
8 program plus one-third of the remainder thereof.

9 B. The work incentive deduction shall be allowed in
10 each month that the temporary assistance for needy families
11 benefit group has earned income that does not exceed one hundred
12 percent of the federal poverty level.

13 C. The work incentive deduction shall be applied to
14 the gross monthly income before the work-related expense
15 deduction and the child-care deduction are subtracted.

16 D. The work-related expense deduction shall be
17 ninety dollars (\$90.00) per month.

18 E. The child-care deduction shall not exceed normal
19 and customary community daycare costs and will be determined,
20 periodically, not to exceed three years, by public hearings
21 conducted by the human services department.

22 F. The work incentive deduction will be implemented
23 by retrospective budgeting. The income is counted against the
24 temporary assistance for needy families grant two months after
25 it is actually received or in the month after it is reported to

Underscored material = new
[bracketed material] = delete

1 the human services department.

2 G. Persons in the benefit group claiming the work
3 incentive deduction shall be exempted form other temporary
4 assistance for needy families work activities and programs
5 instituted by the state for a period not exceeding twelve
6 months, but such exemption shall be renewed and continued
7 annually upon the filing of an employability plan with the human
8 services department. "

9 Section 2. A new section of the Public Assistance Act is
10 enacted to read:

11 " [NEW MATERIAL] INDIVIDUAL DEVELOPMENT ACCOUNTS. -- The
12 human services department shall include with its state plan, and
13 implement in a timely manner, all provisions for individual
14 development accounts, as permitted in the Personal
15 Responsibility and Work Opportunity Reconciliation Act of 1996. "

16 Section 3. A new section of the Public Assistance Act is
17 enacted to read:

18 " [NEW MATERIAL] MICRO BUSINESS LOANS AND OTHER
19 ENTREPRENEURSHIP OPPORTUNITIES. -- The human services department
20 shall include within its state plan, and implement in a timely
21 manner, the creation of a micro business program and the
22 development of other entrepreneurship opportunities for persons
23 on temporary assistance for needy families.

24 A. The micro business loan program shall include an
25 outreach campaign to encourage interest for persons, or groups

1 of persons, who want to start their own small businesses, either
2 individually or collectively. Technical assistance to the
3 participating persons shall be provided by the program by the
4 involvement of private entities, such as revolving loan funds
5 and nonprofit corporations knowledgeable in the creation and
6 development of small business and business opportunities.

7 B. The micro business loan program shall provide
8 loans not to exceed five thousand dollars (\$5,000) for each
9 person and twenty thousand dollars (\$20,000) in the aggregate
10 for a group of persons served by the program, and the interest
11 rate for such loans shall not exceed the lowest rate of interest
12 charged by any other federal or state program.

13 C. Those persons in the benefit group participating
14 in such entrepreneurship opportunities shall be exempted from
15 other temporary assistance for needy families work activities
16 and programs instituted by the state for a period not exceeding
17 twelve months, but such exemption shall be renewed and continued
18 annually upon the filing of an employability plan with the human
19 services department.

20 D. Temporary assistance for needy families
21 recipients may accrue up to five thousand dollars (\$5,000) in
22 order to initiate self-employment, such as hair styling, child
23 care or computer work small businesses, perhaps from their
24 homes. Such savings shall not be considered a resource or as
25 income for eligibility purposes, and such recipients performing

1 these work activities shall be exempted from other temporary
2 assistance for needy families work activities and programs
3 instituted by the state for a period not exceeding twelve
4 months, but such exemption shall be renewed and continued
5 annually upon the filing of an employability plan with the human
6 services department. "

7 Section 4. EMERGENCY.--It is necessary for the public
8 peace, health and safety that this act take effect immediately.

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Underscored material = new
[bracketed material] = delete

State of New Mexico House of Representatives

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 6, 1997

Mr. Speaker:

**Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred**

HOUSE BILL 1223

**has had it under consideration and reports same with
recommendation that it DO NOT PASS, but that**

**HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE
FOR HOUSE BILL 1223**

**DO PASS, and thence referred to the APPROPRIATIONS
AND FINANCE COMMITTEE.**

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HBI C/HB 1223

Page 7

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Respectfully submitted,

Fred Luna, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Getty, Gubbels, Kissner, Varela

Absent: None

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HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 1223

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

AN ACT

RELATING TO WORK INCENTIVE DEDUCTIONS AND EARNED INCOME
DISREGARDS, INDIVIDUAL DEVELOPMENT ACCOUNTS, MICRO BUSINESS
LOANS AND OTHER ENTREPRENEURSHIP OPPORTUNITIES; DECLARING AN
EMERGENCY.

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

A new section of the Public Assistance Act is enacted to
read:

" [NEW MATERIAL] WORK INCENTIVE DEDUCTIONS AND EARNED
INCOME DISREGARDS. --The work incentive and earned income
disregards program shall include an outreach campaign to
encourage persons who are receiving cash assistance under the
temporary assistance for needy families program to seek gainful
employment or self-employment and to promote the state's policy
of requiring work for those in need of public assistance for any
person whose benefit group includes at least one dependent
child. The human services department shall deduct and disregard

Underscored material = new
[bracketed material] = delete

the following earned income and expenses from the person's countable income in determining need:

1 A. An amount, to be called the "work incentive
2 deduction", equal to the first thirty dollars (\$30.00) of the
3 total of such earned income not otherwise disregarded under any
4 other clause in the temporary assistance for needy families
5 program plus one-third of the remainder thereof.

6 B. The work incentive deduction shall be allowed in
7 each month that the temporary assistance for needy families
8 benefit group has earned income that does not exceed one hundred
9 percent of the federal poverty level.

10 C. The work incentive deduction shall be applied to
11 the gross monthly income after the work-related expense
12 deduction and before the child-care deduction are subtracted.

13 D. The work-related expense deduction shall be
14 ninety dollars (\$90.00) per month.

15 E. The child-care deduction shall not exceed normal
16 and customary community daycare costs and will be determined,
17 periodically, not to exceed three years, by public hearings
18 conducted by the human services department.

19 F. The work incentive deduction will be implemented
20 by retrospective budgeting. The income is counted against the
21 temporary assistance for needy families grant two months after
22 it is actually received or in the month after it is reported to
23 the human services department.

24 G. Persons in the benefit group claiming the work
25 incentive deduction shall be exempted from other temporary
assistance for needy families work activities and programs

1 instituted by the state for a period not exceeding twelve months,
2 but such exemption shall be renewed and continued annually upon the
3 filing of an employability plan with the human services
4 department. "

5 Section 2. A new section of the Public Assistance Act is
6 enacted to read:

7 " [NEW MATERIAL] INDIVIDUAL DEVELOPMENT ACCOUNTS. -- The
8 individual development accounts program shall include an outreach
9 campaign to encourage interest for persons or groups to participate
10 in the program. The human services department shall include with
11 its state plan, and implement in a timely manner, all provisions
12 for individual development accounts, as permitted in the Personal
13 Responsibility and Work Opportunity Reconciliation Act of 1996. "

14 Section 3. A new section of the Public Assistance Act is
15 enacted to read:

16 " [NEW MATERIAL] MICRO BUSINESS LOANS AND OTHER
17 ENTREPRENEURSHIP OPPORTUNITIES. -- The human services department
18 shall include within its state plan, and implement in a timely
19 manner, the creation of a micro business program and the
20 development of other entrepreneurship opportunities for persons on
21 temporary assistance for needy families.

22 A. The micro business loan program shall include an
23 outreach campaign to encourage interest for persons, or groups of
24 persons, who want to start their own small businesses, either
25 individually or collectively. Technical assistance to the

1 participating persons shall be provided by the program by the
2 involvement of private entities, such as revolving loan funds and
3 nonprofit corporations knowledgeable in the creation and
4 development of small business and business opportunities.

5 B. The micro business loan program shall provide loans
6 not to exceed five thousand dollars (\$5,000) for each person and
7 twenty thousand dollars (\$20,000) in the aggregate for a group of
8 persons served by the program, and the interest rate for such loans
9 shall not exceed the lowest rate of interest charged by any other
10 federal or state program.

11 C. Those persons in the benefit group participating in
12 such entrepreneurship opportunities shall be exempted from other
13 temporary assistance for needy families work activities and
14 programs instituted by the state for a period not exceeding twelve
15 months, but such exemption shall be renewed and continued annually
16 upon the filing of an employability plan with the human services
17 department.

18 D. Temporary assistance for needy families recipients
19 may accrue up to five thousand dollars (\$5,000) in order to
20 initiate self-employment, such as hair styling, child care or
21 computer work small businesses, perhaps from their homes. Such
22 savings shall not be considered a resource or as income for
23 eligibility purposes, and such recipients performing these work
24 activities shall be exempted from other temporary assistance for
25 needy families work activities and programs instituted by the state

1 for a period not exceeding twelve months, but such exemption shall
2 be renewed and continued annually upon the filing of an
3 employability plan with the human services department. "

4 Section 4. EMERGENCY.--It is necessary for the public peace,
5 health and safety that this act take effect immediately.

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 18, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom
has been referred

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 1223

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

1. On page 2, lines 21 and 22, strike "by public hearings
conducted by the human services department" and insert in lieu
thereof "by the children, youth and families department".

2. On page 2, strike lines 23 through 25, and on page 3,
strike line 1.

3. Renumber the succeeding subsections accordingly.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HBIC/HB 1223

Page 14

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Respectfully submitted,

Max Coll, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 15 For 0 Against

Yes: 15

Excused: Heaton, Salazar

Absent: None

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Underscored material = new
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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 1223/a

March 21, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred
HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 1223, as amended

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

1. On page 1, strike line 22 and insert in lieu thereof
"encourage recipients".
2. On page 1, line 23, strike "temporary assistance for needy
families program".
3. On page 2, line 7, strike "under any".
4. On page 2, strike line 8 in its entirety.
5. On page 2, line 9, strike "program".
6. On page 2, line 11, strike "temporary assistance for needy
families".

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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7. On page 3, lines 4 and 5, strike "temporary assistance for needy families".

8. On page 3, line 25 strike "persons on" and insert in lieu thereof "recipients".

9. On page 4, strike line 1 up to the period.

10. On page 4, line 18, strike "temporary assistance for needy families".

11. On page 4, line 23, strike "Temporary assistance for needy families recipients" and insert in lieu thereof "Recipients".

12. On page 5, lines 4 and 5, strike "temporary assistance for needy families".

Respectfully submitted,

Underscored material = new
~~[bracketed material] = delete~~

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SFC/HB 1223

Page 17

Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Aragon, Eisenstadt, Ingle, Lyons, McKibben

Absent: None

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