

1 SENATE BILL 48

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Bill Tallman

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9  
10 AN ACT

11 RELATING TO STATE EMPLOYEES; PROVIDING FOR A PROGRAM THROUGH  
12 WHICH PARTICIPATING STATE EMPLOYEES HAVE PORTIONS OF THEIR  
13 SALARIES OR WAGES DEDUCTED AND DISBURSED FOR THE REPAYMENT OF  
14 PERSONAL LOANS.

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

17 SECTION 1. A new section of Chapter 10 NMSA 1978 is  
18 enacted to read:

19 "[NEW MATERIAL] EMPLOYEE LOAN PROGRAM--PAYROLL DEDUCTION  
20 AND DISBURSEMENT FOR LOAN REPAYMENT.--

21 A. In accordance with rules that it promulgates,  
22 the department of finance and administration may establish as a  
23 benefit for state employees an employee loan program:

24 (1) through which the state deducts portions  
25 of participating employees' salaries or wages for disbursement

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1 to accounts established by qualified lenders for the repayment  
2 of loans made by them;

3 (2) that poses no financial risk to the state;

4 (3) in which no qualified lender receives  
5 compensation from the state in exchange for the service;

6 (4) that does not subject the state to claims  
7 by state employees related to the program or to a loan or loan  
8 repayment made through the program, including claims resulting  
9 from the department's inadvertent failure to:

10 (a) make an employee-requested payroll  
11 deduction or disbursement; or

12 (b) deduct and disburse the correct  
13 amount for loan repayment;

14 (5) in which, for each participating employee,  
15 the amount deducted and disbursed in any pay period is twelve  
16 percent or less of the participating employee's gross salary or  
17 wages for that period; and

18 (6) in which, for each loan repaid through the  
19 program:

20 (a) the annual percentage rate is equal  
21 to or less than thirty percent at the time of the loan;

22 (b) the loan term is one year or less;

23 (c) the participating employee's credit  
24 score is not used to determine eligibility for the loan; and

25 (d) the state has no involvement in the

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1 loan decision process and assumes no responsibility to use  
2 state money to repay the loan, to subsidize the loan or to  
3 guarantee the loan.

4 B. As used in this section, "qualified lender"  
5 means a loan company, or another type of entity, licensed in  
6 accordance with, or exempt from, the New Mexico Small Loan Act  
7 of 1955."

8 SECTION 2. EFFECTIVE DATE.--The effective date of the  
9 provisions of this act is July 1, 2018.