SENATE BILL 90

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Bill Tallman

AN ACT

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

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

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

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

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

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

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

(2) that poses no financial risk to the state;
(3) in which no qualified lender receives compensation from the state in exchange for the service;

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

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

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

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

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

(a) the annual percentage rate is equal to or less than thirty percent at the time of the loan;
(b) the loan term is one year or less;
(c) the participating employee's credit score is not used to determine eligibility for the loan; and
(d) the state has no involvement in the
loan decision process and assumes no responsibility to use state money to repay the loan, to subsidize the loan or to guarantee the loan.

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

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.