

1 SENATE BILL 52

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

3 INTRODUCED BY

4 Bill Tallman

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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; MAKING AN APPROPRIATION.

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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. APPROPRIATION.--

9 A. The following amounts are appropriated from the
10 general fund to the department of finance and administration
11 for expenditure in fiscal year 2023 for the following purposes:

12 (1) two hundred fifty thousand dollars
13 (\$250,000) to purchase hardware and software to implement the
14 employee loan program provided in Section 1 of this act; and

15 (2) one hundred thousand dollars (\$100,000) to
16 fund one additional full-time-equivalent position to administer
17 the employee loan program provided in Section 1 of this act.

18 B. Any unexpended or unencumbered balance remaining
19 from the items funded in Subsection A of this section at the
20 end of fiscal year 2023 shall revert to the general fund.

21 SECTION 3. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2022.