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FISCAL IMPACT REPORT

SPONSOR Dow/Murphy LAST UPDATED _____
ORIGINAL DATE 3/9/2025
SHORT TITLE Law Enforcement Officer Loan Repayment Act BILL NUMBER House Bill 304
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal			
Total	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Department of Public Safety (DPS)
Higher Education Department (HED)

SUMMARY

Synopsis of House Bill 304

House Bill 304 (HB304) creates the Law Enforcement Loan Repayment Act to provide up to \$25 thousand in student loan repayment for law enforcement officers employed by county or municipal law enforcement agencies. HB304 would require a law enforcement officer to have served for at least three years to be eligible to receive loan repayment and requires the Higher Education Department (HED) to promulgate rules governing the amount and term of the loan repayment disbursements. Finally, the bill creates the law enforcement loan repayment fund to be administered by HED, although it contains no appropriation, and requires annual reporting to the governor and the Legislature.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

HB304 does not contain an appropriation but does require HED to promulgate rules to implement the sct. The department would need to utilize existing resources to carry out the provisions of HB304. Therefore, the estimated additional operating budget impact is indeterminate but minimal.

SIGNIFICANT ISSUES

HED notes that law enforcement officers currently qualify for participation in the existing federal public service loan forgiveness program (PSLF), which requires 10 years of public service employment among other criteria. The department states that average student debt for recipients of PSLF is \$30 thousand to \$40 thousand for bachelor's degree holders and that most New Mexico law enforcement departments require between 32 and 60 college credits, or an associate's degree, to become a law enforcement officer.

State police officers would be ineligible to receive loan repayment under the provisions of HB304. DPS reports:

[A]s currently written, the bill could face possible legal challenges. It could be argued that the bill violates the Equal Protection Clause of the 14th Amendment of the U.S. Constitution and Article 2, Section 18, of the New Mexico Constitution since it only provides loan repayment benefits to certain law enforcement officers. Additionally, an argument could be made that the bill creates an arbitrary and capricious classification and could be challenged on the grounds that it does not meet a rational basis test because there may be no compelling governmental interest that justifies the exclusion of state police officers from loan repayment assistance. Lastly, the bill could be challenged for conflicting with federal policies that would provide loan repayment assistance to all law enforcement officers, like the Public Service Loan Forgiveness Program.

TECHNICAL ISSUES

The short title of the bill states “making an appropriation” (page 1, line 15). HB304 does not contain an appropriation.

CJ/hg/rl