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SENATE BILL 391

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

CARLOS R. CISNEROS

AN ACT

RELATING TO STUDENT LOANS; ENACTING THE PUBLIC LEGAL SERVICES ASSISTANCE ACT; PROVIDING EDUCATIONAL LOAN REPAYMENT SUPPORT FOR LAWYERS SERVING PUBLIC BODIES OR INDIGENT PERSONS; CREATING AN EDUCATIONAL LOAN REPAYMENT ASSISTANCE FUND; MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE. -- This act may be cited as the "Public Legal Services Assistance Act".

Section 2. PURPOSE OF ACT. -- The purpose of the Public Legal Services Assistance Act is to enhance the ability of the state and its political subdivisions to attract and maintain public service lawyers and to provide for legal services for the care and maintenance of indigent persons by providing financial assistance to law school graduates whose service to the public

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1 or the indigent is burdened by educational debts.

2 Section 3. DEFINITIONS. --As used in the Public Legal  
3 Services Assistance Act:

4 A. "award recipient" means a person selected to  
5 receive loan repayment assistance under the Public Legal  
6 Services Assistance Act;

7 B. "commission" means the commission on higher  
8 education;

9 C. "one year payment" means an amount equal to  
10 twelve times the monthly payment required to fully repay the  
11 award recipient's qualifying loans for a term defined by the  
12 commission;

13 D. "qualified graduate" means any person who is a  
14 graduate of a fully accredited law school in New Mexico and is a  
15 resident of the state;

16 E. "qualifying employment" means full-time  
17 employment in the state that substantially uses the legal  
18 training and skills of the qualified graduate with an  
19 organization that is exempt from taxation under Paragraph (3),  
20 (4) or (5) of Subsection (c) of Section 501 of Title 26 of the  
21 United States Code, and in which the qualified graduate provides  
22 for the care or maintenance of indigent persons as his primary  
23 duties; and

24 F. "qualifying loans" means educational loans or  
25 grants of money to defray the costs of education leading to a

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1 law degree, under a contract between the federal government or a  
2 commercial lender and a law student, requiring either repayment  
3 of principal and interest or repayment in services.

4 Section 4. FUND CREATED. --There is created in the state  
5 treasury the "public legal services loan repayment assistance  
6 fund", which the commission shall administer pursuant to the  
7 Public Legal Services Assistance Act. The commission shall  
8 deposit in the fund all amounts specifically appropriated to the  
9 fund and all other money designated or authorized for deposit in  
10 the fund. Payments from the fund shall be made upon vouchers  
11 issued and signed by the commission upon warrants drawn by the  
12 secretary of finance and administration.

13 Section 5. DELEGATION OF DUTIES. --The commission:

14 A. may arrange with other agencies for the  
15 performance of services required by the Public Legal Services  
16 Assistance Act;

17 B. may establish an oversight committee composed of,  
18 but not limited to, representatives from the state bar of New  
19 Mexico and the university of New Mexico school of law to perform  
20 services required by the Public Legal Services Assistance Act;  
21 and

22 C. may adopt regulations and procedures to implement  
23 the provisions of the Public Legal Services Assistance Act; and

24 D. shall establish repayment penalties for those  
25 individuals who do not comply with the provisions of the Public

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1 Legal Services Assistance Act.

2 Section 6. ELIGIBILITY--AMOUNT OF AWARD.-- A qualified  
3 graduate who has obtained qualifying employment may be awarded  
4 loan repayment assistance from the public legal services loan  
5 repayment assistance fund, provided that:

6 A. priority shall be given to individuals employed  
7 in positions for which there is the greatest demonstrated need  
8 to attract and maintain capable personnel;

9 B. no loan repayment award shall exceed the one year  
10 payment for the award recipient in either of the first two years  
11 of qualifying employment;

12 C. no less than one-third of the appropriation  
13 available for loan repayment awards in the fiscal year shall be  
14 awarded to qualified graduates in qualifying employment, unless  
15 there is an insufficient number of qualified applicants employed  
16 in those positions; and

17 D. an award recipient shall comply with all rules  
18 and regulations adopted by the commission pursuant to the Public  
19 Legal Services Assistance Act.

20 Section 7. CONDITIONS FOR CONTINUING ELIGIBILITY.-- An  
21 award recipient shall continue to receive loan repayment  
22 assistance pursuant to the Public Legal Services Assistance Act,  
23 provided that:

24 A. the award recipient maintains residence in the  
25 state and maintains qualifying employment; and

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1 FORTY- SECOND LEGI SLATURE  
2 SECOND SESSI ON, 1996  
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5 February 8, 1996  
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7 Mr. President:  
8

9 Your EDUCATION COMMI TTEE, to whom has been referred  
10

11 SENATE BILL 391  
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13 has had it under consideration and reports same with  
14 recommendation that it DO PASS, and thence referred to the  
15 FI NANCE COMMI TTEE.  
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17 Respectfully submit ted,  
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22 Carlos R. Cisneros, Chairman  
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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

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The roll call vote was 5 For 1 Against

Yes: 5

No: Lyons

Excused: Benavides, Carraro, Duran, Scott

Absent: None

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