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SENATE BILL 375

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Sue F. Wilson

AN ACT

RELATING TO PUBLIC ASSISTANCE; CHANGING THE EXEMPTION OF
CERTAIN UNEARNED INCOME; AMENDING A SECTION OF THE NEW MEXICO
WORKS ACT.

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

Section 1. Section 27-2B-7 NMSA 1978 (being Laws 1998,
Chapter 8, Section 7 and Laws 1998, Chapter 9, Section 7, as
amended) is amended to read:

"27-2B-7. FINANCIAL STANDARD OF NEED.--

A. The secretary shall adopt a financial standard
of need based upon the availability of federal and state
funds and based upon appropriations by the legislature of the
available federal temporary assistance for needy families
grant made pursuant to the federal act in the following
categories:

- (1) cash assistance;

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- 1 (2) child-care services;
- 2 (3) other services; and
- 3 (4) administrative costs.

4 The legislature shall determine the actual percentage of each
5 category to be used annually of the federal temporary
6 assistance for needy families grant made pursuant to the
7 federal act.

8 B. Only a benefit group receiving a cash benefit
9 of seventy-five dollars (\$75.00) or greater, excluding any
10 housing subsidy payment, and who are not living in
11 government-subsidized housing or receiving government-
12 subsidized housing payments shall receive an additional
13 housing allowance of fifty dollars (\$50.00) per month.

14 C. The following income sources are exempt from
15 the gross income test, the net income test and the cash
16 payment calculation:

- 17 (1) medicaid;
- 18 (2) food stamps;
- 19 (3) government-subsidized foster care and
20 adoption payments, if the child for whom the payment is
21 received is excluded from the benefit group;
- 22 (4) supplemental security income;
- 23 (5) government-subsidized housing or housing
24 payments;
- 25 (6) federally excluded income;
- (7) educational payments made directly to an
educational institution;

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1 (8) government-subsidized child care;
2 (9) earned ~~[and unearned]~~ income that
3 belongs to a person seventeen years of age or younger who is
4 not the head of household;

5 (10) for the first two years of receiving
6 cash assistance or services, if a participant works over the
7 work requirement rate set by the department pursuant to the
8 New Mexico Works Act, one hundred percent of the income
9 earned by the participant beyond that rate;

10 (11) for the first two years of receiving
11 cash assistance or services, for a two-parent benefit group
12 in which one parent works over thirty-five hours per week and
13 the other works over twenty-four hours per week, one hundred
14 percent of income earned by each participant beyond the work
15 requirement rate set by the department;

16 (12) unearned income that belongs to the
17 household group but not to the benefit group;

18 (13) fifty dollars (\$50.00) of collected
19 child support passed through to the participant by the
20 department's child support enforcement program; and

21 (14) other income sources as determined by
22 the department.

23 D. Earned income over one hundred thirty percent
24 of the federal poverty guidelines that belongs to the
25 household group but not to the benefit group is countable
income. The department shall count the entire household
group to determine family size when applying the federal

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1 poverty guidelines.

2 E. The department shall count the entire household
3 group to determine family size when applying the financial
4 standard of need. For a benefit group to be eligible to
5 participate:

6 (1) gross countable earned income that
7 belongs to the household group but not to the benefit group
8 must not exceed one hundred eighty-five percent of the
9 financial standard of need; and

10 (2) net countable earned income that belongs
11 to the household group must not equal or exceed the financial
12 standard of need after applying the disregards set out in
13 Paragraphs (1) through (4) of Subsection F of this section.

14 F. Subject to the availability of state and
15 federal funds, the department shall determine the cash
16 payment of the benefit group by applying the following
17 disregards to the benefit group's gross earned [~~gross~~] income
18 and then subtracting that amount from the benefit group's
19 financial standard of need:

20 (1) one hundred fifty dollars (\$150) of
21 monthly earned income and one-half of the remainder, or for a
22 two-parent family, two hundred fifty dollars (\$250) of
23 monthly earned income and one-half of the remainder for each
24 parent;

25 (2) monthly payments made for child care at
a maximum of two hundred dollars (\$200) for a child under two
years of age and at a maximum of one hundred seventy-five

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- 1 dollars (\$175) for a child two years of age or older;
- 2 (3) costs of self-employment income; and
- 3 (4) business expenses.

4 G. The department may recover overpayments of cash
5 assistance on a monthly basis not to exceed fifteen percent
6 of the financial standard of need applicable to the benefit
7 group."