

HOUSE BILL 542

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

INTRODUCED BY

Dayan Hochman-Vigil and Daymon Ely and Natalie Figueroa and  
Abbas Akhil

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE LAW ENFORCEMENT AND  
CORRECTIONAL OFFICER LOAN REPAYMENT ACT; MAKING AN  
APPROPRIATION.

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

**SECTION 1.** ~~[NEW MATERIAL]~~ SHORT TITLE.--This act may be  
cited as the "Law Enforcement and Correctional Officer Loan  
Repayment Act".

**SECTION 2.** ~~[NEW MATERIAL]~~ DEFINITIONS.--As used in the  
Law Enforcement and Correctional Officer Loan Repayment Act:

A. "applicant" means a person who applies to be a  
recipient;

B. "department" means the higher education  
department;

C. "loan" means a grant of money to defray the

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1 costs incidental to a recipient's education under a contract  
2 between the federal government or a commercial lender and a  
3 recipient requiring repayment of principal with interest; and

4 D. "recipient" means a licensed law enforcement  
5 officer or a correctional officer who receives an award  
6 pursuant to the Law Enforcement and Correctional Officer Loan  
7 Repayment Act.

8 SECTION 3. [NEW MATERIAL] DEPARTMENT POWERS AND DUTIES--  
9 RECIPIENT--QUALIFICATIONS.--

10 A. The department may grant an award to repay loans  
11 obtained for educational expenses of a recipient pursuant to  
12 rules issued by the department.

13 B. A recipient shall be a licensed law enforcement  
14 officer or correctional officer and shall be a citizen of the  
15 United States and a bona fide resident of New Mexico.

16 C. The department shall make a full and careful  
17 investigation of the ability, character and qualifications of  
18 each applicant and determine the applicant's fitness to become  
19 a recipient.

20 D. The department shall assist recipients in  
21 locating employment in areas of need.

22 SECTION 4. [NEW MATERIAL] DELEGATION OF DUTIES.--The  
23 department may delegate to other agencies or contract for the  
24 performance of services required by the provisions of the Law  
25 Enforcement and Correctional Officer Loan Repayment Act.

1 SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT

2 TERMS--PAYMENT.--

3 A. Award criteria shall provide that:

4 (1) amounts shall be dependent upon the  
5 recipient's total education indebtedness;

6 (2) preference in making awards shall be to  
7 individuals who have graduated from a New Mexico post-secondary  
8 educational institution;

9 (3) preference in making awards shall be to  
10 individuals who agree to relocate to areas of need in  
11 underserved areas, as defined by the department in  
12 collaboration with the department of public safety and the  
13 corrections department;

14 (4) award amounts may be modified based upon  
15 available funding or other special circumstances; and

16 (5) an award shall not exceed the total  
17 education indebtedness of any participant.

18 B. The following education debts are not eligible  
19 for repayment pursuant to the Law Enforcement and Correctional  
20 Officer Loan Repayment Act:

21 (1) amounts incurred as a result of  
22 participation in state loan-for-service programs or other state  
23 programs in which service is provided in exchange for financial  
24 assistance;

25 (2) scholarships that have a service component

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1 or obligation;

2 (3) personal loans from friends or relatives;

3 and

4 (4) loans that exceed individual standard  
5 school expense levels.

6 C. The loan repayment award shall be evidenced by a  
7 contract between the recipient and the department acting on  
8 behalf of the state. The contract shall provide for the  
9 payment by the state of a stated sum to the recipient's  
10 creditors and shall state the obligations of the recipient  
11 under the Law Enforcement and Correctional Officer Loan  
12 Repayment Act, including a minimum two-year period of service.

13 D. Recipients shall serve a complete year as a law  
14 enforcement officer or a correctional officer to receive credit  
15 for that year. The minimum credit for a year shall be  
16 established by the department.

17 E. If a recipient does not comply with the terms of  
18 the contract, the department shall assess a penalty of up to  
19 three times the amount of the award disbursed plus eighteen  
20 percent interest, unless the department finds acceptable  
21 extenuating circumstances for why the recipient cannot comply  
22 with the terms of the contract. If the department does not  
23 find acceptable extenuating circumstances for the law  
24 enforcement officer's or correctional officer's failure to  
25 comply with the contract, the department shall require

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1 immediate repayment plus the amount of the penalty.

2 F. The department shall adopt rules to implement  
3 the provisions of the Law Enforcement and Correctional Officer  
4 Loan Repayment Act. The rules may provide for the disbursement  
5 of loan repayment awards to the lenders of recipients in annual  
6 or other periodic installments.

7 SECTION 6. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The  
8 general form of the contract required shall be prepared and  
9 approved by the attorney general and signed by the recipient  
10 and the designated representative of the department on behalf  
11 of the state. The department is vested with full and complete  
12 authority and power to sue in its own name for any balance due  
13 the state from any recipient.

14 SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF  
15 PAYMENT.--The "law enforcement and correctional officer loan  
16 repayment fund" is created in the state treasury. All money  
17 appropriated for loans to law enforcement officers and  
18 correctional officers under the Law Enforcement and  
19 Correctional Officer Loan Repayment Act shall be credited to  
20 the fund, and all payments for penalties or repayment of awards  
21 received by the department shall be credited to the fund or  
22 shall be deposited with the department's administrative agent.  
23 All payments for loan repayment awards shall be made upon  
24 vouchers signed by the secretary of higher education or the  
25 secretary's designee designated upon warrants issued by the

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1 secretary of finance and administration. Any unexpended or  
2 unencumbered balance remaining in the fund at the end of a  
3 fiscal year shall not revert to the general fund.

4 SECTION 8. [NEW MATERIAL] CANCELLATION.--The department  
5 may cancel any contract made between it and any recipient for  
6 any reasonable cause deemed sufficient by the department.

7 SECTION 9. [NEW MATERIAL] REPORTS.--The department shall  
8 make annual reports to the governor and to the legislature,  
9 prior to each regular legislative session, of its activities,  
10 the loan repayment awards granted, the names and addresses of  
11 recipients, the place of employment of those recipients who are  
12 serving in areas of need and the amount owed and paid on each  
13 loan.

14 SECTION 10. APPROPRIATION.--Two hundred fifty thousand  
15 dollars (\$250,000) is appropriated from the general fund to the  
16 law enforcement and correctional officer loan repayment fund  
17 for expenditure in fiscal year 2020 and subsequent fiscal years  
18 for the purposes of the law enforcement and correctional  
19 officer loan repayment fund. Any unexpended or unencumbered  
20 balance remaining at the end of a fiscal year shall not revert  
21 to the general fund.

22 SECTION 11. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is July 1, 2019.