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HOUSE BILL 102

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Patricio Ruiloba

AN ACT

RELATING TO TEACHER LOAN REPAYMENT; ALLOCATING REVENUE FOR LOAN
REPAYMENT FOR CERTAIN TEACHERS.

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

SECTION 1. Section 6-24-24 NMSA 1978 (being Laws 1995,
Chapter 155, Section 24, as amended) is amended to read:

"6-24-24. DISPOSITION OF REVENUE.--

A. As nearly as practical, an amount equal to at
least fifty percent of the gross annual revenue from the sale
of lottery tickets shall be returned to the public in the form
of lottery prizes.

B. No later than the last business day of each
month, the authority shall transmit at least [~~twenty-seven~~
twenty-nine and seventy-five hundredths percent of the gross
revenue of the previous month [~~until December 31, 2008 and at~~

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1 ~~least thirty percent of the gross revenue of the previous month~~
2 ~~thereafter]~~ to the state treasurer, who shall deposit it in the
3 lottery tuition fund.

4 C. No later than the last business day of each
5 month, the authority shall transmit at least twenty-five
6 hundredths percent of the gross revenue of the previous month
7 to the state treasurer, who shall deposit it in the teacher
8 loan repayment fund.

9 ~~[G-]~~ D. Operating expenses of the lottery include
10 all costs incurred in the operation and administration of the
11 lottery and all costs resulting from any contracts entered into
12 for the purchase or lease of goods or services required by the
13 lottery, including the costs of supplies, materials, tickets,
14 independent audit services, independent studies, data
15 transmission, advertising, promotion, incentives, public
16 relations, communications, commissions paid to lottery
17 retailers, printing, distribution of tickets, purchases of
18 annuities or investments to be used to pay future installments
19 of winning lottery tickets, debt service and payment of any
20 revenue bonds issued, contingency reserves, transfers to the
21 reserve fund and any other necessary costs incurred in carrying
22 out the provisions of the New Mexico Lottery Act."

23 **SECTION 2.** Section 21-22H-5 NMSA 1978 (being Laws 2013,
24 Chapter 177, Section 5) is amended to read:

25 "21-22H-5. LOAN REPAYMENT AWARD CRITERIA--CONTRACT

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1 TERMS--PAYMENT.--

2 A. Loan repayment award criteria shall provide
3 that:

4 (1) award amounts shall be dependent upon a
5 specific public school's need for the designated high-risk
6 teacher position, as determined by the public education
7 department, the teacher's total teacher education indebtedness
8 and available balances in the teacher loan repayment fund;

9 (2) preference in making awards shall be to
10 teachers who have graduated from a New Mexico public post-
11 secondary educational institution;

12 (3) awards shall be made to eligible teachers
13 who fill a designated high-risk teacher position;

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

16 (5) the total amount of awards made to any one
17 teacher shall not exceed the total teacher education
18 indebtedness of that teacher.

19 B. The following teacher education debts are not
20 eligible for repayment pursuant to the Teacher Loan Repayment
21 Act:

22 (1) amounts incurred as a result of
23 participation in state loan-for-service programs or other state
24 programs whose purpose states that service be provided in
25 exchange for financial assistance;

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1 (2) scholarships that have a service component
2 or obligation;

3 (3) loans from a commercial lender;

4 (4) personal loans from friends or relatives;

5 and

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

8 C. Every loan repayment award shall be evidenced by
9 a contract between the teacher and the department acting on
10 behalf of the state. The contract shall provide for the
11 payment by the state of a stated sum to the teacher's federal
12 government lender and shall state the obligations of the
13 teacher under the program, including a minimum two-school-year
14 period of service as a level two or level three-A teacher in a
15 designated high-risk teacher position, quarterly reporting
16 requirements and other obligations established by the
17 department.

18 D. Teachers who serve a complete school year as a
19 level two or level three-A teacher in a designated high-risk
20 teacher position shall receive credit for one year for the
21 purpose of calculating any loan repayment award amounts. The
22 minimum loan repayment award amount to be paid for each school
23 year completed shall be established by the department.

24 E. The contract between a teacher and the
25 department shall provide that, if the teacher does not comply

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1 with the terms of the contract, the teacher shall reimburse the
2 department for all loan payments made on the teacher's behalf,
3 plus reasonable interest at a rate to be determined by the
4 department, unless the department finds acceptable extenuating
5 circumstances for why the teacher cannot serve or comply with
6 the terms of the contract.

7 F. Loan repayment awards shall be in the form of
8 payments from the teacher loan repayment fund directly to the
9 federal government lender of a teacher who has received the
10 award and shall be considered a payment on behalf of the
11 teacher pursuant to the contract between the department and the
12 teacher. A loan repayment award shall not obligate the state
13 or the department to the teacher's federal government lender
14 for any other payment and shall not be considered to create any
15 privity of contract between the state or the department and the
16 lender.

17 G. The department, after consulting with the public
18 education department, shall adopt rules to implement the
19 provisions of the Teacher Loan Repayment Act. The rules:

20 (1) shall provide a procedure for determining
21 the amount of a loan that will be repaid for each year of
22 service in a designated high-risk teacher position; and

23 (2) may provide for the disbursement of loan
24 repayment awards to a teacher's federal government lender in
25 annual or other periodic installments."

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SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2018.