

AN ACT

RELATING TO PUBLIC ASSISTANCE; PROVIDING PROCEDURES FOR THE HUMAN SERVICES DEPARTMENT WHEN COMPENSATING CERTAIN CONTRACTORS; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. A new section of Chapter 27, Article 2 NMSA 1978 is enacted to read:

"COMPENSATION UNDER CONTINGENT FEE CONTRACTS--SUSPENSE FUND CREATED.--

A. For the purpose of making disbursements and distributions pursuant to this section, the "human services department reimbursement suspense fund" is created in the state treasury.

B. When pursuing a claim arising under Section 27-2-23 or 27-2-28 NMSA 1978, in addition to other available alternatives, the department may contract with a person to represent the department on a contingent fee basis if the contract:

(1) is approved by the attorney general;

(2) provides that all amounts received by the contractor as satisfaction of the claim shall be transferred to the department and deposited into the human services department reimbursement suspense fund to the credit of the department; and

(3) provides that, upon the direction of the secretary of human services, the compensation due to the contractor shall be disbursed from the suspense fund to the contractor.

C. After a disbursement to a contractor pursuant to Paragraph (3) of Subsection B of this section, the balance of each deposit into the human services department reimbursement suspense fund shall be distributed to the general fund and shall be appropriated to the department for the purpose of reimbursing the department for the public assistance from which the claim arose and, if required, for reimbursing the federal government."

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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