

A-Engrossed
House Bill 4007

Ordered by the House February 15
Including House Amendments dated February 15

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Judiciary for Representative Janelle Bynum)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Directs State Court Administrator to study issues facing court system and report on results of study to appropriate committee or interim committee of Legislative Assembly no later than September 15, 2023.]

Establishes Public Defense Services Student Loan Repayment Assistance Program in Oregon State Bar to provide forgivable loans to eligible public defense attorneys for outstanding student loans.

Directs Oregon State Bar to report annually to committee or interim committee of Legislative Assembly on program.

Creates subtraction from federal taxable income for loan repayment assistance received under program.

Appropriates moneys to Judicial Department for transfer to Oregon State Bar for purpose of program.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to courts; and prescribing an effective date.

3 Whereas Oregon has an inadequate number of public defenders; and

4 Whereas Oregon needs at least 1,296 more attorneys to provide effective assistance of counsel;
5 and

6 Whereas public defenders provide counsel in adult criminal, juvenile delinquency, juvenile de-
7 pendency, post-conviction relief, habeas, civil commitment and protective proceedings, as required
8 by Oregon statutes, the Oregon Constitution or the United States Constitution; and

9 Whereas Oregon provides trial-level counsel only through private contract; and

10 Whereas a long-term solution will take time, but the need for additional attorneys is immediate;
11 and

12 Whereas many attorneys have high student loan debts that make it financially impractical to
13 become public defenders; and

14 Whereas a large number of public defense providers in Oregon are not eligible for federal stu-
15 dent loan forgiveness because they do not meet eligibility criteria; now, therefore,

16 **Be It Enacted by the People of the State of Oregon:**

17 **SECTION 1.** (1) **As used in this section, “public defense attorney” means an attorney:**

18 **(a) Who is appointed to represent eligible individuals as required by Oregon statutes, the**
19 **Oregon Constitution or the United States Constitution;**

20 **(b) Whose legal work is funded by the office of public defense services; and**

21 **(c) Who meets any further definition of “public defense attorney” set forth by the Oregon**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **State Bar.**

2 (2) The Public Defense Services Student Loan Repayment Assistance Program is estab-
3 lished in the Oregon State Bar.

4 (3) The program shall provide forgivable loans to an eligible public defense attorney for
5 up to \$25,000 in payments of principal and interest on outstanding public or private student
6 loans for each 12 months of service as a public defense attorney. The program may provide
7 forgivable loans to a public defense attorney up to a total of \$200,000.

8 (4) A public defense attorney is eligible for the program if:

9 (a) The attorney resides in this state;

10 (b) The attorney practices public defense services in this state full time or part time, as
11 defined by the Oregon State Bar, while participating in the program;

12 (c) The attorney commits to provide public defense services for a period of three years;
13 and

14 (d) The attorney meets other requirements established by the Oregon State Bar under
15 subsection (5) of this section.

16 (5) The Oregon State Bar shall adopt policies for administration of the program, including
17 eligibility and application requirements. The policies may provide that amounts of forgivable
18 loans for student loan payments be based on the amount of the attorney's practice that is
19 providing public defense services.

20 **SECTION 2.** No later than August 31 of each year, the Oregon State Bar shall report on
21 the Public Defense Services Student Loan Repayment Assistance Program to a committee
22 or interim committee of the Legislative Assembly related to the judiciary. The report must
23 include:

24 (1) The number of attorneys who entered the program, and the month and year of entry.

25 (2) The average amount of forgivable loans provided to a participant.

26 (3) The total amount of forgivable loans provided.

27 (4) The number of attorneys who participated in the program in each county.

28 (5) The number of clients and cases and the case types in which public defense services
29 were provided, disaggregated by anonymous participation.

30 (6) The number of attorneys who report that participation in the program is a substantial
31 factor in removing economic barriers to the attorney's ability to perform public defense
32 services.

33 (7) The average amount of outstanding student loan debt for each participant.

34 (8) Other information that is useful in evaluating the program.

35 **SECTION 3.** (1) The Oregon State Bar shall start accepting applications for the Public
36 Defense Services Student Loan Repayment Assistance Program established in section 1 of
37 this 2022 Act no later than September 1, 2022.

38 (2) The Oregon State Bar shall make the first report under section 2 of this 2022 Act no
39 later than August 31, 2023.

40 **SECTION 4.** Section 5 of this 2022 Act is added to and made a part of ORS chapter 316.

41 **SECTION 5.** (1) In computing Oregon taxable income for purposes of this chapter, there
42 shall be subtracted from federal taxable income an amount equal to loan repayment assist-
43 ance paid to the taxpayer under section 2 of this 2022 Act if the individual to whom the as-
44 sistance was paid is listed on the return.

45 (2) The amount of subtraction allowed under subsection (1) of this section shall be re-

