HB 4007-1 (LC 100) 2/8/22 (MNJ/ps)

Requested by HOUSE COMMITTEE ON JUDICIARY (at the request of Representative Janelle Bynum)

## PROPOSED AMENDMENTS TO HOUSE BILL 4007

- In line 2 of the printed bill, after "courts" insert "; and declaring an emergency".
- 3 After line 2, insert:
- 4 "Whereas Oregon has an inadequate number of public defenders; and
- 5 "Whereas Oregon needs 1,296 more attorneys to provide effective assist-
- 6 ance of counsel; and
- 7 "Whereas public defenders provide counsel in adult criminal, juvenile
- 8 delinquency, juvenile dependency, post-conviction relief, habeas, civil com-
- 9 mitment and protective proceedings, as required by Oregon statutes, the
- 10 Oregon Constitution or the United States Constitution; and
- "Whereas Oregon is the only state that provides trial-level counsel only
- 12 through private contract; and
- "Whereas a long-term solution will take time, but the need for additional
- 14 attorneys is immediate; and
- 15 "Whereas many attorneys have high student loan debts that make it fi-
- 16 nancially impractical to become public defenders; and
- "Whereas a large number of public defense providers in Oregon are not
- 18 eligible for federal student loan forgiveness because they do not meet eligi-
- 19 bility criteria; now, therefore,".
- Delete lines 4 through 7 and insert:
- "SECTION 1. The Public Defense Services Student Loan Repayment

- Assistance Fund is established in the State Treasury, separate and distinct from the General Fund.
- "(2) Interest earned by the Public Defense Services Student Loan
   Repayment Assistance Fund shall be credited to the fund.
- "(3) Moneys in the fund are continuously appropriated to the Judicial Department for the purpose of disbursement to the Oregon State Bar for use by the Public Defense Services Student Loan Repayment Assistance Program established in section 2 of this 2022 Act for services designed to increase access to the justice system by incentivizing attorneys to practice as public defense attorneys.
  - "(4) The department may use moneys in the fund to pay the department's and the Oregon State Bar's administrative costs associated with the fund and with carrying out the provisions of sections 2 and 3 of this 2022 Act.
  - "SECTION 2. (1)(a) As used in this section, 'public defense attorney' means an attorney appointed to perform legal services for financially eligible individuals as required by Oregon statutes, the Oregon Constitution or the United States Constitution.
  - "(b) A 'public defense attorney' may be appointed by the court, employed by the state, provide public defense services through a contract with the attorney or with a consortium of attorneys or provide services through an advocacy organization.
  - "(c) A 'public defense attorney' may provide services for profit or not for profit.
- 25 "(2) The Public Defense Services Loan Repayment Assistance Pro-26 gram is established in the Oregon State Bar.
- "(3) The program shall reimburse an eligible public defense attorney for up to \$25,000 in payments of principal and interest on public or private student loans for each 12 months of service as a public defense attorney. The program may reimburse a public defense attorney up to

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- 1 a total of \$200,000.
- 2 "(4) A public defense attorney is eligible for the program if:
- "(a) The attorney's practice is at least 50 percent public defense services.
- 5 "(b) The attorney commits to provide public defense services for a 6 period of 12 months.
- 7 "(c) The attorney meets other requirements established by the 8 Oregon State Bar under subsection (5) of this section.
- "(5) The Oregon State Bar shall adopt rules for administration of the program, including eligibility and application requirements. The rules may provide for partial reimbursement of student loan payments based on the number of hours of public defense services performed.
- "SECTION 3. No later than August 31 of each year, the Oregon
  State Bar shall report on the Public Defense Services Loan Repayment
  Assistance Program to a committee or interim committee of the Legislative Assembly related to the judiciary. The report must include:
- 17 "(1) The number of attorneys who entered the program, and the 18 month and year of entry.
- 19 "(2) The amount of public defense services, in hours, performed by participants.
- 21 "(3) The average amount of loan repayment provided to a partic-22 ipant.
- 23 "(4) The total amount of loan repayment assistance provided.
- 24 "(5) The number of attorneys who participated in the program in 25 each county.
- 26 "(6) The number of cases and the case types in which public defense 27 services were provided, disaggregated by anonymous participation.
- 28 "(7) The number of attorneys who report that participation in the 29 program is a substantial factor in deciding to perform public defense 30 services.

- 1 "(8) The average amount of outstanding student loan debt for each participant.
- "(9) The amount remaining in the Public Defense Services Student
   Loan Repayment Assistance Fund.
- 5 "(10) Other information that is useful in evaluating the program.
- "SECTION 4. The Oregon State Bar shall make the first report under section 3 of this 2022 Act no later than August 31, 2023.
- 8 "SECTION 5. Section 6 of this 2022 Act is added to and made a part of ORS chapter 316.
  - "SECTION 6. (1) In computing Oregon taxable income for purposes of this chapter, there shall be subtracted from federal taxable income an amount equal to loan repayment assistance paid to the taxpayer under section 2 of this 2022 Act if the individual to whom the assistance was paid is listed on the return.
  - "(2) The amount of subtraction allowed under subsection (1) of this section shall be reduced by any deduction allowed for the same amounts to the taxpayer or any other taxpayer listed on the return for the tax year under section 221 of the Internal Revenue Code.
  - "SECTION 7. In addition to and not in lieu of any other appropriation, there is appropriated to the Judicial Department, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$25,000,000, which shall be deposited in the Public Defense Services Student Loan Repayment Assistance Fund established in section 1 of this 2022 Act.
  - "SECTION 8. This 2022 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage."