House Bill 2467
Sponsored by Representative BNUM (at the request of Nkenge Harmon Johnson) (Presession filed.)

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 as introduced.

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 related to judiciary 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
Relating to courts; and prescribing an effective date.

Whereas Oregon has an inadequate number of public defenders; and

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

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

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

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

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

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

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

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

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

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

(c) Who meets any further definition of “public defense attorney” set forth by the Oregon State Bar.

(2) The Public Defense Services Student Loan Repayment Assistance Program is established in the Oregon State Bar.

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

NOTE: Matter in boldfaced type in an amended section is new; matter in italic and bracketed is existing law to be omitted. New sections are in boldfaced type.
forgivable loans to a public defense attorney up to a total of $200,000.

(4) A public defense attorney is eligible for the program if:
(a) The attorney resides in this state;
(b) The attorney practices public defense services in this state full-time or part-time, as defined by the Oregon State Bar, while participating in the program;
(c) The attorney commits to provide public defense services for a period of three years; and
(d) The attorney meets other requirements established by the Oregon State Bar under subsection (5) of this section.

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

SECTION 2. No later than August 31 of each year, the Oregon State Bar shall report on the Public Defense Services Student Loan Repayment Assistance Program to a committee or interim committee of the Legislative Assembly related to the judiciary. The report must include:
(1) The number of attorneys who entered the program, and the month and year of entry.
(2) The average amount of forgivable loans provided to a participant.
(3) The total amount of forgivable loans provided.
(4) The number of attorneys who participated in the program in each county.
(5) The number of clients and cases and the case types in which public defense services were provided, disaggregated by anonymous participation.
(6) The number of attorneys who report that participation in the program is a substantial factor in removing economic barriers to the attorney's ability to perform public defense services.
(7) The average amount of outstanding student loan debt for each participant.
(8) Other information that is useful in evaluating the program.

SECTION 3. (1) The Oregon State Bar shall start accepting applications for the Public Defense Services Student Loan Repayment Assistance Program established under section 1 of this 2023 Act no later than October 1, 2023.
(2) The Oregon State Bar shall make the first report under section 2 of this 2023 Act no later than August 31, 2024.

SECTION 4. Section 5 of this 2023 Act is added to and made a part of ORS chapter 316.

SECTION 5. (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 1 of this 2023 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 6. In addition to and not in lieu of any other appropriation, there is appropriated to the Judicial Department, for the biennium beginning July 1, 2023, out of the General Fund, the amount of $__________, which may be transferred to the Oregon State Bar for the purpose of providing forgivable loans under the Public Defense Services Student Loan Re-
payment Assistance Program established under section 1 of this 2023 Act. The Oregon State
Bar may use up to five percent of the moneys transferred to pay the administrative costs
of the program.

SECTION 7. This 2023 Act takes effect on the 91st day after the date on which the 2023
regular session of the Eighty-second Legislative Assembly adjourns sine die.