

House Bill 2467

Sponsored by Representative BYNUM (at the request of Nkenge Harmon Johnson) (Pre-session 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

1 Relating to courts; and prescribing an effective date.

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

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

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

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

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

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

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

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

16 **SECTION 1. (1) As used in this section, "public defense attorney" means an attorney:**

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

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

20 **(c) Who meets any further definition of "public defense attorney" set forth by the Oregon**
21 **State Bar.**

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

24 **(3) The program shall provide forgivable loans to an eligible public defense attorney for**
25 **up to \$25,000 in payments of principal and interest on outstanding public or private student**
26 **loans for each 12 months of service as a public defense attorney. The program may provide**
27

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 forgivable loans to a public defense attorney up to a total of \$200,000.

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

3 (a) The attorney resides in this state;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (2) The Oregon State Bar shall make the first report under section 2 of this 2023 Act no
33 later than August 31, 2024.

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

35 **SECTION 5.** (1) In computing Oregon taxable income for purposes of this chapter, there
36 shall be subtracted from federal taxable income an amount equal to loan repayment assist-
37 ance paid to the taxpayer under section 1 of this 2023 Act if the individual to whom the as-
38 sistance was paid is listed on the return.

39 (2) The amount of subtraction allowed under subsection (1) of this section shall be re-
40 duced by any deduction allowed for the same amounts to the taxpayer or any other taxpayer
41 listed on the return for the tax year under section 221 of the Internal Revenue Code.

42 **SECTION 6.** In addition to and not in lieu of any other appropriation, there is appropri-
43 ated to the Judicial Department, for the biennium beginning July 1, 2023, out of the General
44 Fund, the amount of \$_____, which may be transferred to the Oregon State Bar for the
45 purpose of providing forgivable loans under the Public Defense Services Student Loan Re-

1 **payment Assistance Program established under section 1 of this 2023 Act. The Oregon State**
2 **Bar may use up to five percent of the moneys transferred to pay the administrative costs**
3 **of the program.**

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

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