

ASSEMBLY, No. 4198

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 1, 2020

Sponsored by:

Assemblywoman AURA K. DUNN

District 25 (Morris and Somerset)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Establishes loan redemption program and gross income tax credit for mental health professionals who serve children and adolescents.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/4/2020)

1 AN ACT providing financial incentives for certain mental health
2 professionals who serve children and adolescents and
3 supplementing Title 18A and Title 54A of the New Jersey
4 Statutes.

5
6 BE IT ENACTED by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. As used in sections 1 through 4 of P.L. , c. (C.)
10 (pending before the Legislature as this bill):

11 “Authority” means the Higher Education Student Assistance
12 Authority established pursuant to N.J.S.18A:71A-3.

13 “Eligible student loan expenses” means the cumulative
14 outstanding balance of the principal and interest due on student
15 loans used to cover the cost of attendance while enrolled in an
16 undergraduate or graduate degree program at an institution of
17 higher education.

18 “Executive director” means the executive director of the
19 authority.

20 “Licensed mental health professional” means a person who
21 provides mental health counseling services and is licensed or
22 otherwise authorized pursuant to Title 45 of the Revised Statutes to
23 practice a health care profession that is regulated by a regulatory
24 board.

25 “Program” means the Child and Adolescent Mental Health Loan
26 Redemption Program established pursuant to section 2 of P.L. , c.
27 (C.) (pending before the Legislature as this bill).

28 “Program participant” means a licensed mental health
29 professional who meets the criteria set forth in subsection b. of
30 section 2 of P.L. , c. (C.) (pending before the Legislature
31 as this bill), and who has entered into a written contract with the
32 authority for participation in the program.

33 “Regulatory board” includes the State Board of Medical
34 Examiners, the State Board of Psychological Examiners, the State
35 Board of Social Work Examiners, the State Board of Marriage and
36 Family Therapy Examiners, the Alcohol and Drug Counselor
37 Committee, the Professional Counselor Examiners Committee, and
38 the Certified Psychoanalysts Advisory Committee.

39
40 2. a. There is established in the authority a Child and
41 Adolescent Mental Health Loan Redemption Program for licensed
42 mental health professionals who provide mental health counseling
43 services to children and adolescents. The program shall provide
44 loan redemption payments, not to exceed \$1,000 per payment, to
45 program participants for each year of mental health counseling
46 service, except that a program participant may not participate in the
47 program for longer than four years. A program participant shall use

1 each loan redemption payment to defray the costs of eligible student
2 loan expenses.

3 b. To qualify for participation in the program, an applicant
4 shall:

5 (1) be a resident of the State;

6 (2) be a licensed mental health professional who agrees to be
7 employed in a full-time position that is wholly or primarily
8 dedicated to providing mental health counseling services to children
9 and adolescents during the duration of program participation;

10 (3) have an outstanding balance of eligible student loan
11 expenses and not be in default on any eligible student loan
12 expenses; and

13 (4) satisfy any additional criteria that the authority may deem
14 necessary.

15 c. The executive director shall select the program participants
16 from among those applicants who meet the criteria set forth in
17 subsection b. of this section, subject to available funds.

18

19 3. a. A person who has been selected by the executive director
20 pursuant to section 2 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) shall enter into a written contract with the
22 authority. The contract shall, at a minimum, specify the dates that
23 the program participant shall remain employed in a full-time
24 position that is wholly or primarily dedicated to providing mental
25 health counseling services to children and adolescents.

26 b. Before the authority may provide a loan redemption payment
27 to a program participant during any year of program participation,
28 the program participant shall submit to the authority:

29 (1) proof of residency in the State during the previous 12-month
30 period;

31 (2) such certification as the authority deems appropriate to
32 demonstrate that the program participant was employed in a full-
33 time position that is wholly or primarily dedicated to providing
34 mental health counseling services to children and adolescents
35 during the previous 12-month period;

36 (3) certification of the outstanding balance of eligible student
37 loan expenses; and

38 (4) any other materials that the authority may deem necessary.

39 c. Upon certification that a program participant has met all
40 criteria set forth in this section, the authority shall provide a loan
41 redemption payment, in an amount not to exceed \$1,000, to the
42 program participant to defray the costs of eligible student loan
43 expenses. If during any year of program participation, the eligible
44 student loan expenses of a program participant do not exceed
45 \$1,000, then the authority shall provide a loan redemption payment
46 equal to the outstanding balance of the eligible student loan
47 expenses, and the program participant shall cease to participate in
48 the program.

1 d. A program participant who has entered into a written
2 contract with the authority may nullify the agreement by notifying
3 the authority, in writing, and reassuming full responsibility for the
4 outstanding balance of eligible student loan expenses.

5 e. A person who knowingly or willfully furnishes false or
6 misleading information for the purpose of receiving a loan
7 redemption payment under the program is guilty of a crime of the
8 fourth degree.

9
10 4. The authority shall adopt rules and regulations, pursuant to
11 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
12 1 et seq.), necessary to effectuate the purposes of the program.

13
14 5. a. A licensed mental health professional who is employed in
15 a full-time position that is wholly or primarily dedicated to
16 providing mental health counseling services to children and
17 adolescents for the entirety of a taxable year shall be allowed a
18 credit, in an amount not to exceed \$1,000, against the tax otherwise
19 due for the taxable year under the "New Jersey Gross Income Tax
20 Act," N.J.S.54A:1-1 et seq.

21 b. The amount of the credit allowed pursuant to this section
22 shall not reduce the tax liability otherwise due for the taxable year
23 to an amount less than zero.

24 c. The order of priority of the application of the credit allowed
25 pursuant to this section, and any other credits allowed against the
26 tax imposed pursuant to the "New Jersey Gross Income Tax Act,"
27 N.J.S.54A:1-1 et seq., for a taxable year shall be as prescribed by
28 the director.

29 d. In the case of married individuals filing jointly, each
30 individual shall be permitted to claim the credit pursuant to this
31 section in the taxable year if that individual is eligible for the credit.

32 e. The director shall promulgate procedures and forms by
33 which an individual may certify that the individual qualifies for the
34 credit allowed pursuant to this section.

35 f. As used in this section:

36 "Director" means the Director of the Division of Taxation in the
37 Department of the Treasury.

38 "Licensed mental health professional" means a person who
39 provides mental health counseling services and is licensed or
40 otherwise authorized pursuant to Title 45 of the Revised Statutes to
41 practice a health care profession that is regulated by the State Board
42 of Medical Examiners, the State Board of Psychological Examiners,
43 the State Board of Social Work Examiners, the State Board of
44 Marriage and Family Therapy Examiners, the Alcohol and Drug
45 Counselor Committee, the Professional Counselor Examiners
46 Committee, or the Certified Psychoanalysts Advisory Committee.

1 previous 12-month period; (2) such certification as the authority
2 deems appropriate to demonstrate that the program participant was
3 employed in a qualifying occupation during the previous 12-month
4 period; (3) certification of the outstanding balance of eligible
5 student loan expenses; and (4) any other materials that the authority
6 may deem necessary.

7 Any person who knowingly or willfully furnishes false or
8 misleading information for the purpose of receiving a loan
9 redemption payment under the program is guilty of a crime of the
10 fourth degree, which is punishable by a term of imprisonment of up
11 to 18 months, a fine of up to \$10,000, or both.

12 Additionally, the bill provides that a licensed mental health
13 professional would be eligible for a gross income tax credit of not
14 more than \$1,000 for each taxable year in which the person is
15 employed in a full-time position that is wholly or primarily
16 dedicated to providing mental health counseling services to children
17 and adolescents.