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FISCAL IMPACT REPORT

SPONSOR Grubestic DATE TYPED 02/14/05 HB _____

SHORT TITLE Employee Lease Contractor Licenses and Fund SB 596

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	Indeterminate*				Employee Lease Act Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
				Employee Lease Act Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 596 creates the employee leasing act fund, a non-reverting special fund that shall be administered by the Regulation and Licensing Department (RLD) and shall be appropriated for the purpose of carrying out the provisions of the Employee Leasing Act.

Senate Bill 596 also revises the bonding requirements for employee leasing contractors. Under current law, contractors registered in New Mexico as of September 30, 1993 shall maintain a surety bond of \$25 thousand whereas contractors registered after that date must maintain a surety bond of \$100 thousand. This bill would remove the provisions for contractors registered as of September 30, 1993, thus requiring all employee leasing contractors to maintain the same level of surety bond at \$100 thousand. The bill also changes references to contractors “domiciled and registered” in the state to simply “registered.”

FISCAL IMPLICATIONS

The indeterminate appropriation contained in this bill is a recurring expense to the employee leasing act fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to any other fund.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

This bill may result in more employee leasing contractors having to maintain surety bonds or having to maintain higher levels of surety bonds.

EF/lg