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AN ACT

RELATING TO LICENSING; REVISING BONDING REQUIREMENTS FOR  
EMPLOYEE LEASING CONTRACTORS; ESTABLISHING THE EMPLOYEE  
LEASING ACT FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-13A-7 NMSA 1978 (being Laws 1993,  
Chapter 162, Section 7, as amended) is amended to read:

"60-13A-7. SURETY REQUIREMENTS FOR EMPLOYEE LEASING  
CONTRACTORS.--

A. An employee leasing contractor domiciled and  
registered in New Mexico as of September 30, 1993 shall file  
and maintain with the department a surety bond in the amount  
of twenty-five thousand dollars (\$25,000) issued by an  
insurance company authorized to do business in this state.  
An employee leasing contractor domiciled and registered in  
New Mexico after September 30, 1993 shall file and maintain  
with the department a surety bond in the amount of one  
hundred thousand dollars (\$100,000) issued by an insurance  
company authorized to do business in this state. Interest  
accrued on such liquid securities shall be paid to the  
employee leasing contractor providing the liquid security.  
The bond shall be conditioned upon the prompt payment of  
wages for which the employee leasing contractor becomes  
liable. The employee leasing contractor's liability for

1 these wages shall terminate six months after the employee  
2 leasing contractor terminates the employee leasing  
3 contractor's employee leasing business.

4 B. In lieu of the surety bond required under  
5 Subsection A of this section, the employee leasing contractor  
6 may deposit with a depository designated by the department  
7 liquid securities with a market value equal to the amount  
8 required for a surety bond. The deposit contract shall  
9 authorize the department to liquidate the securities to the  
10 extent necessary to pay obligations that the employee  
11 leasing contractor fails to pay promptly when due.

12 C. In lieu of the surety requirements of this  
13 section, the department may by rule provide that it will  
14 accept an affidavit or certification of a bonded, independent  
15 and qualified assurance organization, approved by the  
16 department, that certifies the qualification of an employee  
17 leasing contractor."

18 Section 2. A new section of the Employee Leasing Act is  
19 enacted to read:

20 "EMPLOYEE LEASING ACT FUND CREATED--PURPOSE--  
21 APPROPRIATION.--

22 A. The "Employee Leasing Act fund" is created in  
23 the state treasury. The fund shall consist of legislative  
24 appropriations to the fund; fees charged by the department  
25 pursuant to the Employee Leasing Act; gifts, grants,

1 donations and bequests to the fund; and income from  
2 investment of the fund. Money in the fund shall not revert  
3 to any other fund at the end of a fiscal year. Expenditures  
4 from the fund shall be made on warrants drawn by the  
5 secretary of finance and administration pursuant to vouchers  
6 signed by the superintendent of regulation and licensing or  
7 the superintendent's authorized representative.

8           B. The fund shall be administered by the  
9 department, and money in the fund is appropriated to the  
10 department for the purpose of carrying out the provisions of  
11 the Employee Leasing Act."

12           Section 3. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2007. \_\_\_\_\_

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