

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/17

SPONSOR Burt LAST UPDATED _____ HB _____

SHORT TITLE Uniformity of Employment Law Terms SB 488

ANALYST Kludt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)
 Administrative Office of the Courts (AOC)
 Office of the Attorney General (OAG)

SUMMARY

Synopsis of Bill

Senate Bill 488 (SB 488) prohibits New Mexico cities, local governments' and state institutions from enacting laws to regulate the hours, scheduling, or leave that private-sector employers must provide their employees. SB 488 also bars state entities from requiring private-sector employers to provide workers with paid or unpaid leave, fringe benefits, or benefits that would incur an expense. Nothing in SB 488, however, prohibits municipalities from adopting minimum wage rates that are higher than the statewide minimum wage rate.

FISCAL IMPLICATIONS

No fiscal impact has been identified at this time.

SIGNIFICANT ISSUES

The Office of the Attorney General (OAG) reported the following:

SB 488 raises the question of legislative intent with respect to employee wages. While SB 488 prohibits political subdivisions of the state from mandating employee hours,

scheduling, or leave, it is silent as to wages. Employers may argue that wages are “a benefit for which the employer would incur an expense,” and political subdivisions of the state may argue that legislature’s failure to list wages as one of the areas political subdivisions may not regulate means the legislature did not intend to preclude political subdivisions from adopting minimum wage ordinances.

It also is unclear whether SB 488 will retroactively apply to those municipalities and counties in the state that have adopted minimum wage ordinances.

ADMINISTRATIVE IMPLICATIONS

WSD does not enforce municipal wage and hour laws or any other municipal laws that regulate the private-sector employer-employee relationship.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 442, a bill primarily aimed at raising statewide minimum wage rates, contains a provision that--unlike SB 488--specifically does *not* preempt cities, counties and other political subdivisions from passing or keeping laws that regulate the schedule of work hours that private-sector employers provide employees.

Senate Bill 415 contains identical language to SB 488.

KK/jle/al