

1 SENATE BILL 98  
2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY  
4 Crystal R. Diamond  
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10 AN ACT

11 RELATING TO PUBLIC CONTRACTS; REQUIRING THAT PUBLIC CONTRACTS  
12 PROVIDE FOR INCREASED CONTRACTOR AND SUBCONTRACTOR  
13 REIMBURSEMENT AND WORKER WAGE INCREASES IN ACCORDANCE WITH AND  
14 CONCURRENT WITH STATE MINIMUM WAGE INCREASES OR INCREASED COSTS  
15 AS MANDATED BY LAW.  
16

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

18 SECTION 1. A new section of the Minimum Wage Act is  
19 enacted to read:

20 "[NEW MATERIAL] PUBLIC CONTRACTS--SERVICES--MINIMUM WAGE  
21 INCREASES--INCREASES IN COST MANDATED BY LAW.--

22 A. Beginning July 1, 2023, a state agency that  
23 contracts for services shall include in the terms of that  
24 contract:

25 (1) a provision for increasing reimbursement

.223263.1

underscored material = new  
[bracketed material] = delete

1 so that the contractor and any subcontractor to that contract  
2 are held harmless for any wage increase resulting from an  
3 increase in the state minimum wage or cost increase resulting  
4 from a change to statutory benefits; and

5 (2) a requirement that individuals employed  
6 pursuant to that contract or a subcontract of that contract who  
7 are paid the state minimum wage shall receive wage increases in  
8 accordance with and concurrent with increases in the state  
9 minimum wage.

10 B. As used in this section:

11 (1) "contract" means any agreement for the  
12 procurement of services;

13 (2) "services" means the furnishing of labor,  
14 time or effort by a contractor or subcontractor not involving  
15 the delivery of a specific end product other than reports and  
16 other materials that are merely incidental to the required  
17 performance;

18 (3) "statutory benefits" means any benefit  
19 that an employer is required by state law to provide to the  
20 employer's employees; and

21 (4) "subcontract" means a contract subordinate  
22 to another superordinate contract, which subcontract is to  
23 procure in whole or in part services to be procured under the  
24 terms of the superordinate contract."