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### FISCAL IMPACT REPORT

SPONSOR:	Marquardt	DATE TYPED:	02/09/00	HB	249
SHORT TITLE:	Increase Amount of Public Works Contracts			SB	
				ANALYST:	Taylor

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
			NFI		

Duplicates SB230

### SOURCES OF INFORMATION

New Mexico Labor Department

Commission on Higher Education

## **SUMMARY**

### Synopsis of Bill

House Bill 249 increases the dollar threshold above which public works projects and contracts are subject to prevailing wage requirements. Currently any public works project with a value greater than \$20 thousand is required to pay laborers and mechanics the prevailing wage for similar work in the state or locality. The bill would increase the minimum value from \$20 thousand to \$250 thousand.

## **FISCAL IMPLICATIONS**

The New Mexico labor department reports that the bill would have a minimal impact on revenues because raising the threshold will result in fewer projects to subject to the public works' minimum wage act. Enforcing the act provides the department with between \$112 thousand and \$140 thousand in revenue annually, but only some of this is from smaller projects. The department also reports that raising the threshold will result in less time being spent on monitoring payrolls and conducting wage inspections of smaller projects, thereby freeing more time to monitor larger projects.

## **OTHER SUBSTANTIVE ISSUES**

The labor department reports that based on FY 99 statistics, raising the threshold would affect about 14 percent of public works' projects, and representing 6.5 percent of the value of all public work's projects.

BT/jsp