FISCAL IMPACT REPORT

SPONSOR: Thompson   DATE TYPED: 02/10/03   HB 588

SHORT TITLE: Prohibit Minimum Wage Exceeding Federal Wage   SB

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
Responses Received From
New Mexico Department of Labor (DOL)
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 588 amends the existing New Mexico Minimum Wage Act, NMSA 1978 §50-4-22, to prohibit political subdivisions of the state from establishing a minimum wage that exceeds the federal minimum wage.

ADMINISTRATIVE IMPLICATIONS

The US Department of Labor enforces federal minimum wages and the NM Department of Labor enforces the state minimum wage. If the counties and cities were permitted to create their own minimum wage, they would have to create enforcement mechanisms.

OTHER SUBSTANTIVE ISSUES

It is questionable whether HB 588 covers municipalities. The wording included in the bill is "no political subdivision". Counties are political subdivisions of the state. School districts and improvement districts may be political subdivisions. Municipalities are not necessarily included in the term "political subdivision"; municipalities are generally referred to separately as municipal corporations and are regulated in the same manner as counties.

RLG/prr