

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](http://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 2/27/19

SPONSOR Chasey/Louis LAST UPDATED \_\_\_\_\_ HB 573

SHORT TITLE Protect Additional People from Discrimination SB \_\_\_\_\_

ANALYST Klundt/Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		≤\$100.0	≤\$100.0	≤\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 227

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)  
 Administrative Office of the Courts (AOC)  
 New Mexico Attorney General (NMAG)

### SUMMARY

#### Synopsis of Bill

House Bill 573 (HB 573) proposes to amend Section 28-1-7(A) NMSA 1978 (the New Mexico Human Rights Act) to remove the limitation of 15 or more employees an employer must have to include sexual orientation and gender identity as bases for unlawful discrimination practices.

### FISCAL IMPLICATIONS

WSD reported concerns additional personnel and funding may be necessary to accommodate the increase in potential charges of discrimination being filed. However, the agency did not provide an estimate of possible additional FTE costs. In FY19, the average cost per FTE in the Labor Relations program is \$73.5 thousand.

The Administrative Office of the Courts (AOC) reported there will be a minimal administrative cost for statewide update, distribution, and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. New laws, amendments to existing laws, and new hearings have the

potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

### **SIGNIFICANT ISSUES**

The Human Rights Bureau of the Workforce Solutions Department currently investigates claims made against employers for discrimination on the basis of gender identity or sexual orientation when the employer has more than 15 employees. Removing the 15-employee limit from Section 28-1-7 NMSA 1978 would result in additional inquiries and charges of discrimination being filed, higher numbers of cases to be investigated, and increase in probable cause hearings.

WSD reported the agency's training program would require expansion to include a larger target group (small businesses with 4-15 employees).

According to the 2018 Quarterly Census of Employment and Wages<sup>1</sup> program, there are about 45 thousand employers in New Mexico that have less than 15 employees.

### **DUPLICATION**

This bill duplicates SB227.

### **OTHER SUBSTANTIVE ISSUES**

Title VII of the Civil Rights Act of 1964 makes it illegal to discriminate against someone on the basis of race, color, religion, national origin, or sex. The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

The U. S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information. ([www.eeoc.gov/eeoc/](http://www.eeoc.gov/eeoc/)) By adding this language, the state would be move closely aligned with the federal language. To be fully aligned, the state may want to consider adding pregnancy to the language as well.

KK/MD/al

---

<sup>1</sup> [https://www.dws.state.nm.us/Portals/0/DM/LMI/Size\\_Class\\_2018.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/Size_Class_2018.pdf)