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FISCAL IMPACT REPORT

SPONSOR Gentry ORIGINAL DATE 02/28/13
LAST UPDATED _____ HB 520
SHORT TITLE Claims for Furnishing Labor & Materials SB _____
ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 520 amends existing law governing public works contracts to clarify the rights of a person, firm or corporation that has furnished labor or materials for a public works project and made a claim against the performance bond for an unpaid balance due.

FISCAL IMPLICATIONS

No impact to the state is anticipated.

SIGNIFICANT ISSUES

HB 520 adds language clarifying the amount that can be recovered pursuant to a claim against a payment bond is limited to that only for the labor performed on, or materials actually delivered to and actually incorporated into, the project.

In addition, the bill corrects, on page 1, line 23 and on page 2 at line 5, two mis-cites in the existing statute to properly reference Section 13-4-18 NMSA 1978, which requires a contractor who has been awarded a public works construction contract in excess of \$25 thousand to post a payment bond in the amount as specified in that law to protect persons supplying labor and material to the contractor or its subcontractors as part of the performance of the work provided

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for in the contract.

HB 520 also updates a reference to a state agency and makes other changes that do not change the intent of the law but provide additional clarity.

MD/blm