

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Rue LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Contractor Agreement With Labor Organizations SB 224

ANALYST Boerner

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

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0.0	\$0.0	\$0.0	\$0.0	Nonrecurring	None

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate to HB 188

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department (GSD)  
 Department of Finance and Administration (DFA)  
 Attorney General's Office (AGO)

### SUMMARY

#### Synopsis of Bill

This bill prohibits a state agency or local public body that is awarding a public works contract from *requiring* contractors to enter into or adhere to an agreement with a labor organization.

Likewise, the bill prevents the same entities from *prohibiting* contractors from entering into or adhering to an agreement with a labor organization.

Finally, the bill states that a state agency or local public body that is awarding a public works contract shall not otherwise discriminate against a bidder, offeror, contractor or subcontractor with respect to awardee decisions regarding whether to enter into or adhere to agreements with labor organizations.

### FISCAL IMPLICATIONS

None noted.

**SIGNIFICANT ISSUES**

The bill defines specific rights for contractors regarding agreements with labor organizations as broadly provided in Section 13-1-29 (C) NMSA 1978 (Procurement Code provides for the “fair and equitable treatment of all persons involved in public procurement, to maximize the purchasing value of public funds and to provide safeguards for maintaining a procurement system of quality and integrity”).

**OTHER SUBSTANTIVE ISSUES**

One respondent pointed out that drafters may wish to investigate whether the bill impacts the Public Works Minimum Wage Act [13-4-10 to 13-4-17 NMSA 1978]. However, per discussion with the AGO, the bill does not appear to conflict with or impact the applicable statute.

The AGO points out that this bill prevents any state agency awarding a public works contract from discriminating against a bidder who has adhered to an agreement with a labor organization or a bidder who has refused to adhere to an agreement with a labor organization. Therefore, whatever agreement the bidder has entered into or refused to enter into should not be used against the bidder when entering into a public works contract.

CEB/svb