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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/15

SPONSOR Maetz LAST UPDATED \_\_\_\_\_ HB 180

SHORT TITLE Minimum Wage Act "Employee" Definitions SB \_\_\_\_\_

ANALYST Klundt

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

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$5.0	\$0.0	\$0.0	\$5.0	Nonrecurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)

#### Responses Not Received From

Department of Finance and Administration (DFA)

Association of Counties

### SUMMARY

#### Synopsis of Bill

House Bill 180 proposes to cover individuals 18 years old or younger under the New Mexico Minimum Wage Act. The Act currently excludes individuals under the age of 18 from the definition of "employee," thereby permitting employers to pay them less than the statewide minimum wage.

### FISCAL IMPLICATIONS

The Workforce Solutions Department (WSD) reports this bill will have a \$5 thousand impact on the operating budget of the Labor Relations Division (LRD) to update website information, Wage and Hour employer and employee presentations and all WSD publications.

### SIGNIFICANT ISSUES

The 1996 amendments to the federal Fair Labor Standards Act (FLSA), 29 U.S.C. Section 201 through Section 219, allow employers to pay a "youth minimum wage" of not less than \$4.25 an

hour to employees who are under 20 years of age during the first 90 consecutive calendar days after initial employment. Where a state or local law requires payment of a minimum wage higher than \$4.25 an hour and makes no exception for employees under age 20, the higher state or local minimum wage standard would apply.

WSD believes that elementary, middle, and high school students who work after school or on vacation would still be excluded from minimum wage coverage under this bill.

### **PERFORMANCE IMPLICATIONS**

The WSD has performance measures regarding the percent of wage claims investigated and resolved.

### **ADMINISTRATIVE IMPLICATIONS**

The LRD will continue to investigate wage claims under normal standard operating procedures. This bill may lead to an increase of wage claims as the Minimum Wage Act currently has exemptions for employees eighteen year old and under.

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