

HOUSE BILL 246

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Christine Chandler and Jacob R. Candelaria

AN ACT

RELATING TO PUBLIC WORKS PROJECTS; PROVIDING A PROCESS TO
RESOLVE PREVAILING WAGE COMPLAINTS; INCREASING PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 13-4-11 NMSA 1978 (being Laws 1965,
Chapter 35, Section 1, as amended) is amended to read:

"13-4-11. PREVAILING WAGE AND BENEFIT RATES DETERMINED--
MINIMUM WAGES AND FRINGE BENEFITS ON PUBLIC WORKS--WEEKLY
PAYMENT--WITHHOLDING FUNDS.--

A. Every contract or project in excess of sixty
thousand dollars (\$60,000) that the state or any political
subdivision thereof is a party to for construction, alteration,
demolition or repair or any combination of these, including
painting and decorating, of public buildings, public works or
public roads of the state and that requires or involves the

.212324.1

underscored material = new
[bracketed material] = delete

underscoring material = new
~~[bracketed material] = delete~~

1 employment of mechanics, laborers or both shall contain a
2 provision stating the minimum wages and fringe benefits to be
3 paid to various [~~classes~~] classifications of laborers and
4 mechanics, which shall be based upon the wages and benefits
5 that will be determined by the director to be prevailing for
6 the corresponding [~~classes~~] classifications of laborers and
7 mechanics employed on contract work of a similar nature in the
8 state or locality, and every contract or project shall contain
9 a stipulation that the contractor, subcontractor, employer or a
10 person acting as a contractor shall pay all mechanics and
11 laborers employed on the site of the project, unconditionally
12 and not less often than once a week and without subsequent
13 unlawful deduction or rebate on any account, the full amounts
14 accrued at time of payment computed at wage rates and fringe
15 benefit rates not less than those determined pursuant to
16 Subsection B of this section to be the prevailing wage rates
17 and prevailing fringe benefit rates issued for the project.

18 B. Annually, the director shall determine
19 prevailing wage rates and prevailing fringe benefit rates for
20 respective [~~classes~~] classifications of laborers and mechanics
21 employed on public works projects at the same wage rates and
22 fringe benefit rates used in collective bargaining agreements
23 between labor organizations and their signatory employers that
24 govern predominantly similar [~~classes or~~] classifications of
25 laborers and mechanics for the locality of the public works

.212324.1

underscoring material = new
[bracketed material] = delete

1 project and the crafts involved; provided that:

2 (1) if the prevailing wage rates and
3 prevailing fringe benefit rates cannot reasonably and fairly be
4 determined in a locality because no collective bargaining
5 agreements exist, the director shall determine the prevailing
6 wage rates and prevailing fringe benefit rates for the same or
7 most similar ~~[class or]~~ classification of laborer or mechanic
8 in the nearest and most similar neighboring locality in which
9 collective bargaining agreements exist;

10 (2) the director shall give due regard to
11 information obtained during the director's determination of the
12 prevailing wage rates and the prevailing fringe benefit rates
13 made pursuant to this subsection;

14 (3) any interested person shall have the right
15 to submit to the director written data, personal opinions and
16 arguments supporting changes to the prevailing wage rate and
17 prevailing fringe benefit rate determination; and

18 (4) prevailing wage rates and prevailing
19 fringe benefit rates determined pursuant to the provisions of
20 this section shall be compiled as official records and kept on
21 file in the director's office and the records shall be updated
22 in accordance with the applicable rates used in subsequent
23 collective bargaining agreements.

24 C. The prevailing wage rates and prevailing fringe
25 benefit rates to be paid shall be posted by the contractor or

.212324.1

underscored material = new
[bracketed material] = delete

1 person acting as a contractor in a prominent and easily
2 accessible place at the site of the work; and it is further
3 provided that there [~~may~~] shall be withheld from the
4 contractor, subcontractor, employer or a person acting as a
5 contractor so much of accrued payments as may be considered
6 necessary by the director or contracting officer of the state
7 or political subdivision to pay to laborers and mechanics
8 employed on the project the difference between the prevailing
9 wage rates and prevailing fringe benefit rates required by the
10 director to be paid to laborers and mechanics on the work and
11 the wage rates and fringe benefit rates received by the
12 laborers and mechanics and not refunded to the contractor,
13 subcontractor, employer or a person acting as a contractor or
14 the contractor's, [~~subcontractor's~~] subcontractor's,
15 employer's or person's agents.

16 D. Upon request by a person, a contracting agency
17 shall, within fifteen days of such request, provide copies of
18 certified weekly payroll records to the requesting party.

19 [~~D-~~] E. Notwithstanding any other provision of law
20 applicable to public works contracts or agreements, the
21 director may, with cause:

22 (1) issue investigative or hearing subpoenas
23 for the production of documents or witnesses pertaining to
24 public works prevailing wage projects; and

25 (2) attach and prohibit the release of any

.212324.1

underscored material = new
[bracketed material] = delete

1 assurance of payment required under Section 13-4-18 NMSA 1978
2 for a reasonable period of time beyond the time limits
3 specified in that section until the director satisfactorily
4 resolves any probable cause to believe a violation of the
5 Public Works Minimum Wage Act or its implementing rules has
6 taken place.

7 F. A person may file with the director a complaint
8 that a contractor, subcontractor, employer or person acting as
9 a contractor on the project has failed to pay wages or fringe
10 benefits at the rates required by the Public Works Minimum Wage
11 Act. The director shall, within twenty days of the filing of
12 the complaint, commence an investigation of the allegations
13 contained in the complaint. The director shall, within sixty
14 days of the filing of the complaint, make a determination
15 supported by findings of fact and conclusions of law whether
16 there has been an underpayment of wages or fringe benefits or
17 other violation of the Public Works Minimum Wage Act.

18 G. If the director determines that there has been
19 an underpayment of wages or fringe benefits or a violation of
20 the Public Works Minimum Wage Act, the director shall, in the
21 absence of a voluntary resolution by the parties and within
22 thirty days of making that determination, order the withholding
23 of accrued payments as provided in Subsection C of this
24 section.

25 [~~E-~~] H. The director shall issue rules necessary to

.212324.1

underscored material = new
[bracketed material] = delete

1 administer and accomplish the purposes of the Public Works
2 Minimum Wage Act."

3 SECTION 2. Section 13-4-13 NMSA 1978 (being Laws 1965,
4 Chapter 35, Section 3, as amended) is amended to read:

5 "13-4-13. FAILURE TO PAY MINIMUM WAGE--TERMINATION OF
6 CONTRACT.--Every contract within the scope of the Public Works
7 Minimum Wage Act shall contain further provision that in the
8 event it is [~~found~~] determined by the director that any laborer
9 or mechanic employed on the site of the project has been or is
10 being paid [~~as a result of a willful violation~~] a wage rate or
11 fringe benefit rate less than the rates required, and in the
12 absence of a voluntary resolution by the parties, the
13 contracting agency [~~may~~] shall, within thirty days of the
14 director's determination, by written notice to the contractor,
15 subcontractor, employer or person acting as a contractor,
16 terminate the right to proceed with the work or the part of the
17 work as to which there has been a [~~willful~~] failure to pay the
18 required wages or fringe benefits, and the contracting agency
19 [~~may~~] shall prosecute the work to completion by contract or
20 otherwise, and the contractor or person acting as a contractor
21 and the contractor's or person's sureties shall be liable to
22 the state for any excess costs occasioned thereby. Any party
23 receiving notice of termination of a project or subcontract
24 pursuant to the provisions of this section may appeal the
25 finding of the director as provided in the Public Works Minimum

.212324.1

underscoring material = new
[bracketed material] = delete

1 Wage Act."

2 SECTION 3. Section 13-4-14 NMSA 1978 (being Laws 1965,
3 Chapter 35, Section 4, as amended) is amended to read:

4 "13-4-14. PAYMENT OF WAGES FROM FUNDS WITHHELD--LIST OF
5 CONTRACTORS VIOLATING ACT--ADDITIONAL RIGHT OF WAGE
6 EARNERS.--

7 A. The director shall certify to the contracting
8 agency the names of persons or firms the director has found to
9 have ~~[disregarded their obligations to]~~ failed to pay wages or
10 fringe benefits due employees under the Public Works Minimum
11 Wage Act and the amount of arrears. The contracting agency
12 shall pay or cause to be paid to the affected laborers and
13 mechanics, from any accrued payments withheld under the terms
14 of the contract or designated for the project, three times the
15 amount of any wages or fringe benefits found due to the workers
16 pursuant to the Public Works Minimum Wage Act. The director
17 shall, after notice to the affected persons, distribute a list
18 to all departments of the state giving the names of persons or
19 firms the director has found to have willfully violated the
20 Public Works Minimum Wage Act. No contract or project shall be
21 awarded to the persons or firms appearing on this list or to
22 any firm, corporation, partnership or association in which the
23 persons or firms have an interest until three years have
24 elapsed from the date of publication of the list containing the
25 names of the persons or firms. A person to be included on the

.212324.1

underscored material = new
[bracketed material] = delete

1 list to be distributed may appeal the finding of the director
2 as provided in the Public Works Minimum Wage Act.

3 B. If the accrued payments withheld under the terms
4 of the contract, as mentioned in Subsection A of this section,
5 are insufficient to reimburse all the laborers and mechanics
6 with respect to whom there has been a failure to pay the wages
7 or fringe benefits required pursuant to the Public Works
8 Minimum Wage Act, the laborers and mechanics shall have the
9 right of action or intervention or both against the contractor
10 or person acting as a contractor and the contractor's or
11 person's sureties, conferred by law upon the persons furnishing
12 labor and materials, and, in such proceeding, it shall be no
13 defense that the laborers and mechanics accepted or agreed to
14 less than the required rate of wages or voluntarily made
15 refunds. The director shall refer such matters to the district
16 attorney in the appropriate county, and it is the duty and
17 responsibility of the district attorney to bring civil suit for
18 wages and fringe benefits due and [~~liquidated~~] other damages
19 provided for in Subsection C of this section.

20 C. In the event of [~~any violation of~~] an aggregate
21 underpayment of wages or fringe benefits greater than five
22 hundred dollars (\$500) to an employee subject to the Public
23 Works Minimum Wage Act or implementing rules, the contractor,
24 subcontractor, employer or a person acting as a contractor
25 responsible for the [~~violation~~] underpayment shall be liable to

.212324.1

underscoring material = new
~~[bracketed material] = delete~~

1 any affected employee for three times the amount of the
2 employee's unpaid wages or fringe benefits. In addition, the
3 contractor, subcontractor, employer or person acting as a
4 contractor shall be liable to any affected employee for
5 ~~[liquidated damages beginning with the first day of covered~~
6 ~~employment in the sum of]~~ one hundred dollars (\$100) for each
7 calendar day on which a contractor, subcontractor, employer or
8 person acting as a contractor has willfully required or
9 permitted ~~[an individual laborer or mechanic]~~ the employee to
10 work in violation of the provisions of the Public Works Minimum
11 Wage Act.

12 D. In an action brought pursuant to Subsection C of
13 this section, the court ~~[may]~~ shall award, in addition to all
14 other remedies, attorney fees and costs ~~[to]~~ incurred on behalf
15 of an employee adversely affected by a violation of the Public
16 Works Minimum Wage Act by a contractor, subcontractor, employer
17 or person acting as a contractor."