

LFC Requester:	Mercer-Garcia
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/24/2025 *Check all that apply:*
Bill Number: HB11 Original Correction
 Amendment Substitute

Sponsor:	<u>Chandler/Stewart/Roybal</u>	Agency Name and Code	<u>Municipal League (ML)</u>
Short Title:	<u>Caballero</u>	Number:	<u></u>
	<u>Paid Family & Medical Leave Act</u>	Person Writing	<u>Jacob Rowberry</u>
		Phone:	<u>505-992-3538</u>
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SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			\$2,970	\$2,970	Recurring	Municipalities

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 11 establishes a Paid Family and Medical Leave benefit of 12 weeks (9 weeks in calendar year 2028 and 2029, and potentially further until fund determined to be sufficient for 12 weeks) for most public and private employees in the state. HB11 establishes a fund that both employees and employers must pay into. Employee contributions are 0.5 percent of wages and employer contributions are 0.4 percent of wages.

FISCAL IMPLICATIONS

Based on preliminary analysis, the cost to municipalities would be approximately \$3 million for FY27 and \$6 million for FY28, which would be the first full year of employee and employer contributions. This estimate is based on an average employee wage of \$55,000, and an assumption of 27,000 municipal employees (general employees, police, and fire). The total employee numbers are based on PERA figures for active members in the municipal general, municipal police, and municipal fire plans.

The estimated cost to municipal employees would be \$3.7 million for FY27 and \$7.4 million for FY28. On average, an employee would pay approximately \$23 per month in contributions.

These estimates are preliminary and further analysis would be needed to determine average wages across municipalities. Some municipalities have significantly higher average wages than others, and so the cost could be relatively higher for municipalities with higher wages.

Some municipalities may already have established paid family and medical leave benefits that meet or exceed the requirements in HB11. For those cities, the provisions of HB11 may not lead to any additional operating costs, so the total estimated cost for municipalities could be somewhat lower than estimated above.

SIGNIFICANT ISSUES

Section 11 of HB11 preempts any existing paid family and medical leave benefits that local governments may offer. This could impact local governments that have their own employee policies that meet the minimum required standards put forth in HB11, although it is not clear how many, if any, municipalities would fall into this category.