

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 22 proposes to amend Section 50-4-22, NMSA 1978 of the Minimum Wage Act, adding a new subsection prohibiting employers from taking a portion of an employee's tips to cover credit card processing fees. The bill would ensure employees receive the full benefit of the tips they earn.

This bill is scheduled to take effect immediately due to emergency circumstances impacting the public peace, health and safety.

FISCAL IMPLICATIONS

Employers are permitted to take a tip credit for employees who are ordinarily paid less than the minimum wage; however, employees must receive the full state or local minimum wage.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

Credit card processing fees charged for the gratuity portion of a bill paid by the employer as a cost of doing business will result in the total transaction fee to the employer increasing.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

None.