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HOUSE BILL 305

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Rebecca Dow and Miguel P. García

AN ACT

RELATING TO PUBLIC CONTRACTS; REQUIRING THAT PUBLIC CONTRACTS
PROVIDE FOR INCREASED CONTRACTOR AND SUBCONTRACTOR
REIMBURSEMENT AND WORKER WAGE INCREASES IN ACCORDANCE WITH AND
CONCURRENT WITH STATE MINIMUM WAGE INCREASES OR INCREASED COSTS
AS MANDATED BY LAW.

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

SECTION 1. A new section of the Minimum Wage Act is
enacted to read:

"NEW MATERIAL PUBLIC CONTRACTS--SERVICES--MINIMUM WAGE
INCREASES--INCREASES IN COST MANDATED BY LAW.--

A. Beginning July 1, 2025, a state agency that
contracts for services shall include in the terms of that
contract:

- (1) a provision for increasing reimbursement

underscoring material = new
[bracketed material] = delete

1 so that the contractor and any subcontractor to that contract
2 are held harmless for any wage increase resulting from an
3 increase in the state minimum wage or cost increase resulting
4 from a change to statutory benefits; and

5 (2) a requirement that individuals employed
6 pursuant to that contract or a subcontract of that contract who
7 are paid the state minimum wage shall receive wage increases in
8 accordance with and concurrent with increases in the state
9 minimum wage.

10 B. As used in this section:

11 (1) "contract" means any agreement for the
12 procurement of services;

13 (2) "services" means the furnishing of labor,
14 time or effort by a contractor or subcontractor not involving
15 the delivery of a specific end product other than reports and
16 other materials that are merely incidental to the required
17 performance;

18 (3) "statutory benefits" means any benefit
19 that an employer is required by state law to provide to the
20 employer's employees; and

21 (4) "subcontract" means a contract subordinate
22 to another superordinate contract, which subcontract is to
23 procure in whole or in part services to be procured under the
24 terms of the superordinate contract."