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## FISCAL IMPACT REPORT

SPONSOR: Park DATE TYPED: 02/22/01 HB 343/aHLC  
 SHORT TITLE: Increase State Minimum Wage SB \_\_\_\_\_  
 ANALYST: Taylor

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

New Mexico Department of Labor  
LFC Files

### SUMMARY

#### Synopsis of HLC Amendment

The House Labor and Human Resources Committee amendment to HB 343 strikes the language that would tie the state minimum wage and replaces it with language that establishes a state minimum wage of \$5.15 per hour—the current federal minimum wage. The amendment does not change the bill’s fiscal impact.

#### Synopsis of Original Bill

House Bill 343 increases the state minimum wage from \$4.25 per hour to the current federal minimum wage. It also requires that wages for employees receiving tip income of more than \$30 per month, the combined cash plus tip income must equal the federal minimum wage.

#### Significant Issues

The current state minimum wage is applicable to businesses under the jurisdiction of the State Minimum Wage Act – firms grossing less than \$500 thousand per year and not engaged in interstate commerce. The minimum wage is \$5.15 for firms grossing more than \$500 thousand annually or engaged in interstate commerce.

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The bill has no effective date, so if passed and signed by the governor, it would become effective 90 days after the end of the session.

### **FISCAL IMPLICATIONS**

Increasing the minimum wage has no direct fiscal impact to state or local government revenues. Any indirect impacts would be small, given that the proposed increase is small and would affect few employees.

BT/ar/njw