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FISCAL IMPACT REPORT

SPONSOR: Bailey DATE TYPED: 03/12/01 HB _____
 SHORT TITLE: Amend Public Works Minimum Wage Act SB 653/aSPAC
 ANALYST: Taylor

APPROPRIATION

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

Relates to HB 558–Repeal Public Works Minimum Wage Act; Original bill duplicated HB584.

SOURCES OF INFORMATION

New Mexico Labor Department
 General Services Department (GSD)

SUMMARY

Synopsis of SPAC Amendment

The SPAC amendments reduces the scope of the minimum wage act exclusion provided to local school districts. The exclusion would apply only to contracts or projects costing one hundred thousand dollars (\$100,000) or less.

Synopsis of Bill

Senate Bill 653 amends the Public Works Minimum Wage Act by excluding from its provisions local school districts, local school boards, post-secondary educational institutions and the governing boards of post-secondary institutions.

The Public Works Minimum Wage Act requires all construction contracts in excess of \$20,000 to which the state or any of its political subdivisions is a party to pay laborers and mechanics the prevailing wage received by similar classes of labor in the state or locality.

Significant Issues

The Labor Department reports that educational projects account for about 15 percent of total public works construction dollars.

FISCAL IMPLICATIONS

There is no direct fiscal impact. The General Services Department reported another bill to eliminate the prevailing wage requirement would reduce construction costs by about 10 percent. No documentation as to how this would be achieved was provided, however.

ADMINISTRATIVE IMPLICATIONS

The Labor Department reports that passage of this bill would reduce the Labor and Industrial Division's workload. However, they say that the number of employees would not be reduced.

BT/njw:ar