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## FISCAL IMPACT REPORT

**ORIGINAL DATE**  
**LAST UPDATED** 02/19/15    **HB** \_\_\_\_\_

**SPONSOR**    SCORC

**SHORT TITLE**    Public Works Project Claim Evidence Standards    **SB** 158/SCORCS

**ANALYST**    Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 Department of Finance & Administration (DFA)

### SUMMARY

#### Synopsis of Bill

The Senate Corporations and Transportation Committee substitute for Senate Bill 158 amends existing law governing public works contracts (the Little Miller Act) to clarify the recovery due a person, firm or corporation that has performed labor on or furnished materials for the construction of a public works project and made claim against the payment bond for an unpaid balance due. The bill directs that that amount be determined according to the subcontract or other contractual relationship directly with the contractor who furnished the bond. This bill also adds language that allows a court to award costs, interest and reasonable attorneys fees in a suit brought by the state on a payment bond to recover taxes. CS/SB 158 reorganizes the structure of the existing section of law and makes other changes that clarify the law's provisions.

### FISCAL IMPLICATIONS

No impact to the State is anticipated.

### SIGNIFICANT ISSUES

Existing law, at Section 13-4-18 NMSA 1978, requires a contractor awarded a public works construction project in excess of \$25 thousand to post a payment bond in the amount specified in

that law to protect persons supplying labor and materials to that contractor or any subcontractor as part of the performance of the work provided for in the contract.

AOC notes that this bill provides that remedies under a payment bond for wages include whatever wages were bargained for in the contract with the contractor. A public works contract must include a provision for payment of wages consistent with the Public Works Minimum Wage Act which, in turn, requires fringe benefits be paid to workers as specified therein. See Section 13-4-11, NMSA 1978.

MD/bb