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FISCAL IMPACT REPORT

SPONSOR HBEC ORIGINAL DATE 2/10/16
LAST UPDATED _____ HB 211/HBECS
SHORT TITLE Employment Preemption & Minimum Wage SB _____
ANALYST Klundt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 211 prohibits all state political subdivisions, including New Mexico's 11 "home rule" municipalities, from adopting or continue in effect a law, policy, or resolution that regulates the relationship between private-sector employers and employees, including scheduling or leave hours, requiring employers to provide workers with paid or unpaid leave, fringe benefits or benefits that would incur an expense.

FISCAL IMPLICATIONS

No state agencies reported a fiscal implication.

SIGNIFICANT ISSUES

HB 211 would expressly preempt all New Mexico political subdivisions, including its "home rule" municipalities, from adopting or keeping regulatory requirements specific to the relationship between private-sector employers and employees. Currently, home rule

municipalities “may exercise all legislative powers and perform all functions not expressly denied by general law or charter.” N.M. Const. Art. X, § 6(D).

A 2005 New Mexico Court of Appeals case, *New Mexicans for Free Enterprise v. The City of Santa Fe*, held that the city of Santa Fe’s minimum wage ordinance was a proper exercise of an “independent municipal power” and consistent with the amendment to New Mexico’s constitution that granted municipalities home rule back in 1970.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Local governments will continue to have the authority to make specific requirements of private employers pertaining to employee benefits that are considered company expenses.

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