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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Crystal R. Diamond

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, 2023, a state agency that contracts for services shall include in the terms of that contract:

- (1) a provision for increasing reimbursement

underscored 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."