

LFC Requester:

Laird Graeser

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared 1/23/25 Check all that apply:
Bill Number: HB0006 Original Correction
Amendment Substitute

Sponsor: Reena Szczepanski Agency Name and Code: Dept. of Workforce Solutions-631
Number: _____
Short Title: IRB Project Person Writing: Sarita Nair
Minimum Wage Phone: 505-263-3187 Email: Evan.Sanchez@dws.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	0		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 6 (HB 6) amends the Public Works Minimum Wage Act to require that projects funded through industrial revenue bonds (IRBs) issued by municipalities or counties comply with prevailing wage and fringe benefit requirements. Specifically, contractors, subcontractors, employers, and other persons acting as contractors on these projects will be required to pay workers' wages and benefits in accordance with the prevailing wage rates determined by the Department of Workforce Solutions' (DWS) Labor Relations Division (LRD).

This amendment applies to projects exceeding \$60,000, aligning with the requirements outlined in Section 13-4-11 NMSA 1978.

FISCAL IMPLICATIONS

DWS anticipates that some additional staff time will be necessary to review wage scales and address complaints arising from these projects, and to educate governments about the impact of these changes. Given that IRB projects are not nearly as widespread as other public works projects, we anticipate the fiscal impact will be absorbed by existing staff and resources.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

The inclusion of Industrial Revenue Bond (IRB) projects under the Public Works Minimum Wage Act (PWMWA) will require additional compliance and enforcement efforts by DWS and LRD. Contractors and subcontractors working on IRB-funded projects will need to request wage decisions from DWS in order to bid on projects and adhere to prevailing wage rates and fringe benefit requirements. LRD will be responsible for auditing these projects as part of its routine compliance monitoring.

The bill could benefit from including provisions that require municipalities and counties issuing IRBs to disclose all project details to DWS at the outset. Such a requirement would streamline wage determinations and improve enforcement efficiency.

Moreover, municipalities and counties may need to implement or expand their own processes to monitor compliance on IRB projects. Training for municipal and county officials, as well as contractors, on the requirements of the PWMWA could further ensure smooth implementation and compliance. Establishing a clear, streamlined compliance process—such as requiring contractors to submit certified payroll records—will be critical to effectively enforce the prevailing wage requirements on IRB-funded projects.

ADMINISTRATIVE IMPLICATIONS

See performance implications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 6 intersects with Senate Bill 59, which also proposes amendments to the Public Works Minimum Wage Act (PWMWA). SB 59 addresses the inclusion of "off-site fabricators" under the

PWMWA, while HB 6 focuses on extending prevailing wage requirements to projects financed through industrial revenue bonds (IRBs). Both bills amend overlapping sections of the PWMWA, specifically Sections 13-4-10.1, 13-4-11, 13-4-13, and 13-4-14, which will need to be reconciled to avoid confusion if both bills are enacted

To prevent redundancy or contradictions, it is recommended that the legislature harmonize the language in HB 6 and SB 59 to ensure clarity and consistency in the implementation of PWMWA provisions. Additionally, if SB 59 is enacted, the wage decision and compliance requirements for off-site fabricators should align with the expanded requirements for IRB-funded projects under HB 6 to maintain uniform enforcement standards.

This bill also relates to broader efforts to ensure fair wages on publicly funded or facilitated projects, with more and more local governments exploring project labor agreements and other tools for worker protection. Coordination with DWS and municipalities will be crucial to avoid administrative duplication and ensure efficient enforcement of prevailing wage laws under both bills.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If House Bill 6 is not enacted, workers on projects funded through industrial revenue bonds (IRBs) may not receive prevailing wages or fringe benefits under the Public Works Minimum Wage Act (PWMWA).

AMENDMENTS