LFC Requester:	

# **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)

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

**Date Prepared**: January 14, 2024 *Check all that apply:* **Bill Number:** HB 22 Original X Correction Amendment Substitute

**Agency Name** 

and Code Tourism 418

Number: **Sponsor:** Representative Art De La Cruz

PROHIBIT CREDIT CARD **Person Writing Short** Novela Salazar, GC

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**SECTION II: FISCAL IMPACT** 

Title:

TIP FEE DEDUCTIONS

### **APPROPRIATION (dollars in thousands)**

Appropriation		Recurring	Fund	
FY25	FY26	or Nonrecurring	Affected	
NFI	NFI	NFI	NFI	

(Parenthesis ( ) indicate expenditure decreases)

### **REVENUE** (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected
NFI	NFI	NFI	NFI	NFI

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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: HB 22 proposes to amend Section 50-4-22, NMSA 1978 of the Minimum Wage Act, adding a new subsection prohibiting employers from taking a portion of an employee's tips to cover credit card processing fees. The bill would ensure employees receive the full benefit of the tips they earn.

This bill is scheduled to take effect immediately due to emergency circumstances impacting the public peace, health and safety.

#### FISCAL IMPLICATIONS

Employers are permitted to take a tip credit for employees who are ordinarily paid less than the minimum wage; however, employees must receive the full state or local minimum wage.

#### SIGNIFICANT ISSUES

#### PERFORMANCE IMPLICATIONS

#### **ADMINISTRATIVE IMPLICATIONS**

### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

#### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

Credit card processing fees charged for the gratuity portion of a bill paid by the employer as a cost of doing business will result in the total transaction fee to the employer increasing.

#### **ALTERNATIVES**

None.

### WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

# **AMENDMENTS**

None.