

LFC Requester:

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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: SB0059

Original Correction

Amendment Substitute

Agency Name

and Code

Dept. of Workforce Solutions-631

Number:

Sponsor: Michael Padilla

Person Writing

Sarita Nair

Public Works

Short Title:

Minimum Wage

Phone: 505-263-3187

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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	50.	50.	50.	150.	Recurring	General Fund

(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: Senate Bill 59 (SB 59) amends the Public Works Minimum Wage Act (PWMWA) to include "off-site fabricators" alongside mechanics and laborers as workers entitled to prevailing wages and benefits. "Off-site fabricators" are defined as those earning wages to fabricate heating, cooling, ventilation, or exhaust systems, or any prefabricated components or structures used in public works projects. This expansion clarifies coverage for these workers, aiming to improve wage parity and compliance in public works projects.

FISCAL IMPLICATIONS

The expansion of the scope of the Public Works Minimum Wage Act will necessitate additional administrative resources for enforcement, and for training to ensure staff and stakeholders understand the new requirements. Streamlined reporting requirements for contractors and enhanced internal procedures at DWS could help mitigate the administrative burden and improve enforcement efficiency.

SIGNIFICANT ISSUES

The bill defines "off-site fabricator" as a person who earns a wage to fabricate heating, cooling, ventilation, or exhaust duct systems that are part of a public works project, as well as "any other fabrication" that is a prefabricated component or structure for use in or on a public works project. In the current draft of the bill, the language regarding the scope of the Act to workers "employed on the project site," this creates some conflict. DWS understands that a committee substitute will address these issues.

PERFORMANCE IMPLICATIONS

The inclusion of "off-site fabricators" in the Public Works Minimum Wage Act expands the scope of wage protections and places new compliance responsibilities on the Department of Workforce Solutions (DWS). Once DWS is aware that off-site fabrication is part of a public works project, compliance can be monitored and enforced.

ADMINISTRATIVE IMPLICATIONS

The phrase "any other fabrication" lacks specificity, making it difficult for DWS to ascertain what qualifies as a prefabricated component or structure when reviewing public works bids or monitoring compliance. This could lead to disputes over whether certain off-site work falls under the scope of the Public Works Minimum Wage Act. To address this, DWS will need to engage the construction industry in formulating regulations.

Additionally, the bill does not explicitly require public works bid documents to identify whether off-site fabrication is involved. DWS will need to promulgate rules requiring contractors to disclose all off-site fabrication in bid submissions would streamline enforcement and provide

greater clarity for both employers and employees.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 6 also amends the PWMWA under Section 13-4-11

TECHNICAL ISSUES

DWS understands that a committee substitute will be introduced to address the technical issues with the bill's language explained above.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Off-site fabricators will continue to be excluded from the Public Works Minimum Wage Act.

AMENDMENTS