LFC Requester:	Mercer-Garcia

# **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}

*Check all that apply:* **Date Prepared**: 12 February 2025 Bill Number: SB59/STBTCS Original Correction

Amendment Substitute x

**Agency Name** 

and Code Number:

NM Independent Community

Colleges 994

**Sponsor:** Padilla, Chavez

**Short** 

Title:

Public Works Minimum Wage

**Person Writing** 

Vanessa K. Hawker

Phone:

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## **SECTION II: FISCAL IMPACT**

**Definitions** 

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

	FY25	FY26	FY27	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate	R	Institution operating budgets

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: The Senate Tax, Business and Transportation Committee substitute for Senate Bill 59 (SB59/STBTCS) adds new definition to the Public Works Act.

"Site of the project" is the physical location of a public works project to include any off-site fabrication locations that fabricate heating, colling, ventilation or exhaust duct system that are part of the public works project.

### FISCAL IMPLICATIONS

SB59/STBTCS can impact post-secondary education institutions via increased institutional costs related to compliance monitoring of off-site fabrication facilities and if the current off-site vendors are not paying the prevailing wage, the costs of projects will increase upon implementation of SB59/STBTCS.

### SIGNIFICANT ISSUES

Site of project has been defined as the physical location of the public work, the areas of construction on an institutional campus. SB59/STBTCS expands that definition to include the fabrication facilities located off-site.

Institutions will be required to monitor prevailing wage compliance not only at the construction site but also for all off-site fabrication facilities, this could lead to more complex contracting with off-site fabricators to ensure the off-site fabricators are paying prevailing wage.

SB59/STBTCC could lead to fewer bids from vendors. Those off-site fabricators who are not paying prevailing wage who chose to bid on public works projects may adjust their pricing to reflect higher labor costs, resulting in higher bid prices.

SB59/STBTCS will impact public works projects, such as facility renovations, expansions, or new construction that are issued on or after July 1, 2025.