

## Support HB 498 STATE PREEMPTION OF WAGE & LEAVE LAWS

Some local mandates make sense, like building codes and environmental regulations, because there are unique local characteristics that should be considered. City/County minimum wage and mandatory paid leave are not unique or local and, in fact, create confusion and unnecessary levels of bureaucracy and enforcement that makes it difficult to conduct business in New Mexico.

New Mexico Minimum Wage Laws	
<b>FEDERAL</b>	Minimum Wage: \$7.25 Tipped Employee Wage: \$2.13 plus tips equal \$7.25 or more
<b>STATE OF NEW MEXICO</b>	Minimum Wage: \$7.50 Tipped Employee Wage: \$2.13 plus tips equal \$7.50 or more
<b>ALBUQUERQUE</b>	With no benefits or benefits under 2500.00: • Minimum Wage: \$8.75 • Tipped Employee Wage: \$5.25 plus tips equal \$8.75 or more With benefits over 2500.00: • Minimum Wage: \$7.75 • Tipped Employee Wage: \$5.25 plus tips equal \$7.75 or more
<b>BERNALILLO COUNTY</b>	Minimum Wage: \$8.50 Tipped Employee Wage: \$2.13 plus tips equal \$8.50 or more
<b>SANTA FE</b>	Minimum Wage: \$10.66 Tipped Employee Wage: \$2.13 plus tips equal \$10.66 or more
<b>SANTA FE COUNTY</b>	Minimum Wage: \$10.66 Tipped Employee Wage: \$3.20 plus tips equal \$10.66 or more
<b>LAS CRUCES</b>	Minimum Wage: \$8.40 Tipped Employee Wage: \$3.36 plus tips equal \$8.40 or more

For the economic health of the New Mexico, local governments should no longer be allowed to act independently on wage and benefit laws.

New Mexico has seven different minimum wage laws, sixteen if you count the additional specifics in local wage regulations. These laws change annually at different intervals with CPI indexing. Keeping track of the different rates is nearly impossible considering municipalities are not equipped to administer wage laws.

There is confusion for employers and employees. Does the business pay the wage rate in the City? County? State? or Federal? Do they pay the wage rate of their corporate headquarters or locations? Who audits them and how do they ensure compliance?

Local mandates on small businesses deter business growth and development and discourage out-of-state investment. \*

Monitoring and compliance in this environment is challenging and costly for large and small businesses. With hundreds of local governing entities in each state, local jurisdiction of employment practices create an incredible administrative burden for businesses.

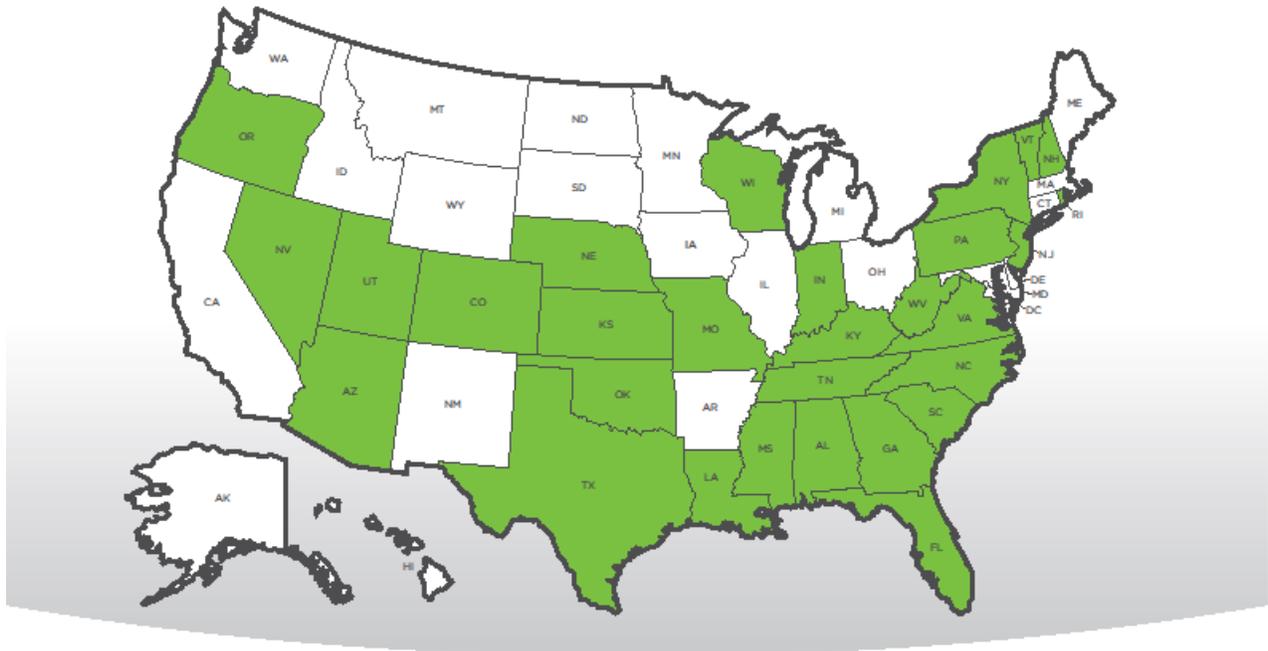
It is a compliance nightmare to keep track of the different regulations that apply to businesses in different cities, counties and the state.

**In a spirit of statewide uniformity and end to confusion, any mandate requiring an employer to provide a particular wage or employment benefit to an employee in this state should be a matter of statewide concern. The state should once again place preemption on wages and benefits in the state. Please support HB 498.**

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February 11, 2015

## State and Local Minimum Wage Preemption



■ Minimum Wage Preemption Legislation Enacted



The New Mexico Restaurant Association is the only entity keeping track of this wage confusion. The NM Department of Labor has no jurisdiction over the city wage laws so cannot answer questions about municipal laws. Municipalities are not equipped to administer or enforce these laws.

What's happening at the restaurant level? In short, multiple mandates are having the adverse effect than was intended. Local mandates are not putting money in the economy. They are hurting the economic development of our state.

\*Recently, restaurants planning expansion in Las Cruces backed out of real estate contracts due to the minimum wage ballot initiative. 50 or more jobs were lost to another state with a friendlier business climate.

Restaurants are calling their county or city with questions, or consulting their websites. They are receiving conflicting information. Ordinances are either not posted or unclear. Recently our own staff spent over an hour calling a county office to clarify the wage. County staff had to assist in finding the ordinance online but the wage poster and the legal ordinance posted different wages.

In the City of Santa Fe, a restaurant's payroll provider increased their tipped minimum wage by over 300%. The payroll company was applying an incorrectly published Santa Fe County wage rate instead of the correct City rate.

CPA's and Tax professionals are calling our organization to clarify wage rates that cannot be easily found elsewhere. Some have given their restaurant clients the incorrect wage rate based on information that the municipalities have not corrected in a public forum.