

Dems, GOP brace for fight on state minimum wage

Business groups pushing provision to prevent cities from setting higher pay rates

By David Miles
The New Mexican

New Mexico could soon become the 18th state to raise its minimum wage higher than the federal pay floor, but business groups will be pushing hard during this year's legislative session to bar local governments such as Santa Fe from setting a rate higher than any new state minimum.

The Santa Fe Chamber of Commerce supports raising the state minimum wage of \$5.15 an hour — which is the same as the federal floor — as long as legislation also includes a "pre-emption" provision to prevent local governments from setting even higher minimum wages, said Simon Brackley, the chamber's interim president.

Brackley said a patchwork of different wage floors would make it difficult for companies to do business in New Mexico and would lead to a "pretty chaotic state of affairs."

"I believe that legislators can see that uniformity is the best solution," Brackley said.

Santa Fe's minimum wage for businesses with 25 or more employees increased to \$9.50 an hour this year under a local ordinance. Albuquerque voters last year narrowly rejected a proposal to increase that city's minimum wage to \$7.50 an hour.

Art Bouffard, president of the New Mexico Lodging Association, said addressing Santa Fe's higher rate in state law might be difficult. Like the Santa Fe chamber, the New Mexico Lodging Association supports an unspecified raise in the state minimum wage along with a provision barring local governments from setting a higher rate.

But Bouffard suggested lawmakers might have to carve out an exception to accommodate Santa Fe's higher wage floor. "Perhaps Santa Fe is capped at \$9.50 an hour," Bouffard said.

Other business groups backing a local pre-emption provision include the New Mexico Restaurant Association and the Association of Commerce and Industry of New Mexico.

Raising New Mexico's minimum wage promises to be a front-burner

issue when legislators convene a 30-day session Tuesday. Both Gov. Bill Richardson and House Speaker Ben Luján, D-Nambé, have come out in favor of raising the state rate.

Luján plans to sponsor a bill that would raise the state minimum wage to \$7.50 an hour. The speaker said he is considering adding a provision automatically linking future minimum-wage hikes to inflation rates but does not plan to include a local pre-emption clause.

"I want to make it as simple as possible," Luján said.

Richardson has expressed support for raising the state wage floor but has not released a specific figure. He said he plans to unveil details about his minimum-wage proposal in his State of the State address Tuesday.

The Democratic governor last week told a group of business leaders that they and legislators need to examine whether rural and urban areas should have different wage floors; whether future increases in the minimum wage should be tied to the cost of living or another measure; and whether local governments should be able to set minimum wages that are higher than the state rate.

Supporters of a minimum-wage

hike point out that Congress has not raised the federal wage floor since 1997, while inflation has eroded the value of that rate since then. "I think that it's unconscionable for anyone to ask an individual to come and work for them and offer \$5.15 an hour," Luján said.

House Majority Leader Kenny Martínez, D-Grant, said raising the state minimum wage will be a top priority this session for Democrats, who control both the House and the Senate.

House Minority Leader Ted Hobbs, R-Albuquerque, predicted that House Republicans would fight any proposal to raise New Mexico's minimum wage.

He said a higher pay floor would hurt businesses and result in job losses. "I don't think it's going to help anybody," Hobbs said.

Seventeen states have raised their minimum wages higher than the federal rate of \$5.15 an hour, according to the U.S. Department of Labor. Washington, which annually adjusts its minimum wage to account for inflation, has the highest state pay floor at \$7.63 an hour.

A recent study of 12 of the 17 states said higher wage floors have not hurt job growth, and those states tend to

have lower poverty rates than states that share the federal minimum wage. The study was compiled by New Mexico Voices for Children and New Mexicans for a Fair Wage, a coalition of groups backing a higher state minimum wage.

"Based on the experience of other states, an increase in New Mexico's minimum wage to \$7.50 would not result in job losses," the study said.

The Association of Commerce and Industry of New Mexico wants to keep New Mexico's minimum wage the same as the federal rate, but the group is bracing for a state increase.

"I think there is some momentum for a higher minimum wage," ACI President John Carey said.

Carey said he already is lobbying Richardson for several concessions, including local pre-emption; phasing in any minimum-wage increase; and exempting teenagers, workers in training, part-time employees, seasonal workers and agricultural employees from a new wage floor.

He also said Luján's proposed wage floor of \$7.50 an hour is too high. "We think that would be a real burden on small businesses and rural New Mexico," Carey said.