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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/13

SPONSOR SCORC LAST UPDATED 03/13/13 HB _____

SHORT TITLE Real Estate Appraisers, Management & Training SB CS/278/aSJC/aSFI#1/aSFI#2

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal					

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to SB 279

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis SFI Amendment #2

The Senate Floor amendment #2 adds a new Section 13 amending Section 61-3-16 NMSA 1978 STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE—CERTIFICATE OF GOOD STANDING to include real estate appraisals are subject to appropriate review for compliance with the uniform standards of professional appraisal practice.

Synopsis SFI Amendment #1

The Senate Floor amendment #1 strikes Senate Judiciary Committee Amendment 2 and strikes “12 U.S.C. 1101-1125” in four places in the bill and substitutes “the rules of the appraisal subcommittee.”

Synopsis SJC Amendment

The Senate Judiciary Committee amendment does the following:

1. On page 8, strike lines 12 through 19 in their entirety and insert in lieu thereof:

"C. The board shall adopt rules to prohibit discrimination in the appraisal profession.""

2. On page 13, line 14, strike "1101-1125" and insert in lieu thereof "3331-3351, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act".

Synopsis of Original Bill

The Senate Corporations and Transportation Committee substitute for Senate Bill 278 amends the Real Estate Appraiser Act

Section 1: includes new definitions or expands existing for: automated valuation model (AVM), broker price opinion (BPO) and appraisal management company (AMC), appraisal review, appraisal subcommittee, appraiser trainee, supervisor appraiser, and uniform standards of professional appraisal practice (USPAP) and change to definition of state certified real estate appraiser, and state licensed residential real estate appraiser.

Section 2: adds that in an effort to preclude discrimination, criteria shall be established by the board that may include education achieved, experience, sample appraisals and references from prior clients. Membership in a nationally recognized professional appraisal organization may be a criterion considered, though lack of membership shall not be the sole bar against consideration for an assignment under these criteria."

Section 3: Add the Appraisal Subcommittee responsibility.

Section 4: Changes certain board powers and duties related to collection of annual registry fees related to federal transactions.

Section 6 clarifies when certified appraisers must be used particularly on federal projects.

Section 7: Clarifies the qualification and scope of appraiser trainee;

Section 8: Clarifies the qualification and scope of licensed residential real estate appraiser;

Section 9: Clarifies the qualification and scope of general certified residential and general real estate appraiser;

Section 10: Allows for electronic application and removal of the examination requirement.

Section 11: Cleans up old language;

Section 13: Clarifies requirements regarding standards or professional practice.

Section 14: Allows for the Board to collect registration fee for appraisal management companies;

Section 15: Allows the board to access the fund balance to be used for investigation of complaints and enforcement activity;

Sections 17 and 18 allow for and provides criteria for reciprocity with other states and the issue of a license for that purpose.

Section 19 provides for penalties for violation of the Act.

Section 20 is new material related to standards for automated valuation models and the requirement for the board to develop rules.

Section 21 provides material for criminal background checks.

FISCAL IMPLICATIONS

No fiscal implications were identified.

SIGNIFICANT ISSUES

The Regulation and Licensing Department reports this bill will ensure the state is in federal compliance with Title XI FIRREA, Dodd-Frank Act.

MW/svb