

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR HBEC ORIGINAL DATE 3/9/15
LAST UPDATED _____ HB 367/HBECs
SHORT TITLE Construction License Changes SB _____
ANALYST Elkins

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Text	See Text			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Business and Employment Committee Substitute for House Bill 367 amends the Construction Industries Licensing Act by providing an exception to penalties for the director of the Construction Industries Division (CID) of RLD in a denial of licenses if overturned by the Construction Industries Commission, making the revocation of any license or certificate issued pursuant to the Construction Industries Licensing Act not less than one year and not more than ten years, and requiring cost-benefit information on any new code, standard, or specification be provided by the trade bureau making the recommendation.

FISCAL IMPLICATIONS

House Bill 367 would mandate CID to invest additional time and resources for cost analysis on every new code, standard or specification adoption. An additional FTE or professional services contract may be needed to perform cost benefit analysis if current resources are not sufficient.

SIGNIFICANT ISSUES

According to RLD:

Currently, when a contractor or journeyman breaks the rules, the Construction Industries Commission has the option to suspend a license or certificate, fine the licensee/certificate

House Bill 367/HBECS – Page 2

holder, or revoke the license/certificate. Current law allows a person to re-apply after one year of the previous revocation and get a new license or certificate.

House Bill 367 clarifies that all rights in bonds related to proof of responsibility belongs to the holder of the bond and the state. As such an independent party cannot make a claim against a bond without action on behalf of the Division.

CE/aml/bb/aml/je