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FISCAL IMPACT REPORT

SPONSOR White ORIGINAL DATE 03/01/17
LAST UPDATED 03/17/18 HB _____
SHORT TITLE Real Estate Brokers Licensure Requirements SB 387/aHBIC
ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the Attorney General (OAG)
Regulation & Licensing Department (RLD)

SUMMARY

Synopsis of HBIC Amendments

The House Business and Industry Committee amendments to Senate Bill 387 strike the increase in years of experience for a qualifying broker's license, which leave in place the existing two year requirement. They also add a new subsection D that restrict a qualifying broker from supervising an associate broker until the qualifying broker has had an active associate or qualifying broker's (or equivalent) license for at least four years, but provide a grandfathering provision from subsection D for those with an active or inactive qualifying broker's license on January 1, 2018. The amendments also change the effective date from July 1, 2017 to January 1, 2018, and amend the title to reflect the substance of the bill as amended.

Synopsis of Original Bill

Senate Bill 387 amends existing law to increase from two to four years the number of years an associate broker must hold an active associate broker's license in order to become eligible to apply for a qualifying broker's license. The bill also authorizes the Real Estate Commission to adopt rules that may require an applicant for that license to complete additional educational courses.

The effective date of this bill is July 1, 2017.

FISCAL IMPLICATIONS

No fiscal impact to the state is anticipated.

SIGNIFICANT ISSUES

The bill increases the experience level required of a licensed associate broker before that broker may be eligible for a qualifying broker’s license—from two to four of the last five years--as well as any additional education that the Real Estate Commission by rule may require. Those new criteria are in addition to other qualifications in existing law, including having passed the real estate broker’s examination and certification of completion of a Commission-approved 30 hour course in brokerage office administration.

TECHNICAL ISSUES

In the bill title, a phrase like “FOR QUALIFYING BROKER’S LICENSE” on page 1, line 15, following “FOUR”, may clarify to what the number of prerequisite years is referring.

MD/sb/al