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FISCAL IMPACT REPORT

SPONSOR: SCOR DATE TYPED: 03/04/01 HB _____
 SHORT TITLE: Real Estate License Changes SB 164/SCORCS
 ANALYST: Valdes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

New Mexico Real Estate Commission

SUMMARY

Synopsis of Committee Substitute

The Senate Corporations And Transportation Committee Substitute for Senate Bill 164 proposes the following amendments to New Mexico Real Estate License Law:

- Brings unlicensed real estate activity under the jurisdiction of the Real Estate Commission; this amendment does not change the existing owners' exemptions from licensure.
- Gives the Commission increased flexibility to lower license fees.
- Gives the Commission authority to approve other states' licensing exams.

Significant Issues

The Real Estate Commission reports bringing unlicensed activity under the jurisdiction of the Real Estate Commission would give the public administrative recourse against individuals practicing real estate without a license. Unlicensed activity is presently under the jurisdiction of local district attorneys whose criminal caseloads severely limit their ability to prosecute cases of unlicensed real estate activity. This amendment would subject unlicensed practitioners to the same disciplinary procedures to which licensed practitioners are currently subject.

Giving the Real Estate Commission authority to approve other states' licensing exams would facilitate licensure recognition and reciprocity with other states by written agreement. Licensure

recognition agreements are becoming commonplace around the country and would be especially helpful to New Mexico licensees living near the state's borders.

Giving the Commission increased flexibility to lower license fees would facilitate carrying out the legislature's mandate to Boards and Commissions to reduce cash balances. Fee reductions are part of a larger Regulation and Licensing Department (RLD) strategy for using cash balances to protect the public and enhance customer service.

PERFORMANCE IMPLICATIONS

The Real Estate Commission will not be required to implement Performance Based Budgeting until 2003. Nonetheless, the proposed amendments to the real estate license law will result in more comprehensive enforcement of laws and rules designed to protect the public, and better cooperation and sharing of information and resources with other states' licensing jurisdictions.

ADMINISTRATIVE IMPLICATIONS

According to the Real Estate Commission, this bill would allow the Commission to proceed with administrative prosecutions against unlicensed practitioners and not have to rely on over-burdened district attorneys to prosecute unlicensed activity. For states with whom the Commission had written licensure recognition agreements, the Commission would no longer have to make case-by-case determinations of equivalent education and experience in determining out-of-state applicants' qualifications for licensure.

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