

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).

FISCAL IMPACT REPORT

SPONSOR Alcon **ORIGINAL DATE** 01/30/21 **LAST UPDATED** 02/17/21 **HB** 120/aHSEIC
SHORT TITLE Military Spouse Expedited Licensure **SB** _____
ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
	(Indeterminate Loss but Substantial)	(Indeterminate Loss but Substantial)	Recurring	Other State Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Veteran Services Department (VSD)

Department of Military Affairs (DMA)

Public Education Department (PED)

SUMMARY

Synopsis of HSEIC Amendment

The State Government, Elections and Indian Affairs Committee amendment to House Bill 120 excludes civil service occupations when defining military service members and providing access to benefits in the bill.

Synopsis of Original Bill

House Bill 120 provides for fee waivers and expedited licensing and certification for certain occupations and professions, school personnel, and construction industry licenses and certificates of qualification for military service members, their spouses, dependent children, and veterans.

More specifically,

Section 1 adds “military service member” to mean an active duty, civil service or active reserve member, their spouse or dependent child, and “veteran” to the School Personnel Act.

Section 2 waives licensing and certification fees for three years for these individuals.

Section 3 states background checks may be required and clarifies the licensing or certification fee waivers are also applicable to substitute teacher certificates.

Section 4 enacts a new section of the Construction Industries Licensing Act (CILA) to provide for background checks if required, fee waivers, and expedited licenses and certifications for military service members, their spouses, dependent children, and veterans.

Sections 5-7 clarify this new section applies to applications for contractor's licenses and certificates of qualification and renewals, as well as examination and licensing service fees.

Section 8 requires professional and occupational licensing boards and commissions to issue licenses to all qualified veterans no later than 30 days after application, and provides for background checks, if required. The bill also provides for the issuance of "a license prima facie" to a qualified applicant who submits satisfactory evidence the applicant holds a license that is current and in good standing in another jurisdiction or branch of the U.S. military.

Sections 9 to 17 amend acts for a number of licensing authorities to provide for fee waivers and expedited licensure including for hemodialysis technicians, medication aides, architects, body artists, interior designers, accountants, funeral service practitioners, and utility operators.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

RLD reported HB120 significantly expands the number of applicants that may be eligible for expedited licensure and a waiver of fees for three years. The bill expands eligibility to service members working for any branch of the armed forces of the United States and to all veterans.

RLD further reported it is unable to accurately estimate the potential impact to the department's operating budget at this time. However, logically the provisions of the bill that prohibit the collection of initial licensing fees and renewal fees from qualifying applicants for a period of three years will decrease the revenue RLD receives through affected divisions of the department.

The proposed waiver of three years of initial licensure and renewal fees to cover all veterans (as opposed to the current inclusion of "recent" veterans) has the potential to significantly expand HB120's impact on revenues beyond current levels. Under HB120, "veteran" includes all those individuals honorably discharged or separated from military service including reserve personnel.

SIGNIFICANT ISSUES

HB120 enables a number of licensing entities to accommodate military service members and members of their family, during times of transition when they are seeking new employment.

RLD notes it licenses over 500 thousand individuals and businesses. The Construction Industries Division alone licenses approximately 58 thousand licensees, journeymen, and qualifying parties.

The Boards and Commissions Division provides services to over 85 thousand licensees. While licensing authorities will be required to process and issue all licenses and certifications required to be expedited within the new 30-day deadline, total compliance may not be feasible. Issues such as the receipt of incomplete or illegible applications and time lags when attempting to verify qualifications are often outside control of the licensing authority processing an application.

Section 8 F (1) adds a definition to the Uniform Licensing Act for “license” to include a “license, registration, certificate of registration, certificate, permit or certification.” The use of the term “permit” concerns RLD, as the Construction Industries Division routinely issues permits for the inspection of construction projects, and those permits are significantly different than a permit that may be more commonly associated with the licensure, certification, or registration of an individual.

PERFORMANCE IMPLICATIONS

PED reported the addition of “substitute certificates” language is confusing, because the department does not issue certificates. Instead, all “substitute teachers” receive licenses.

VSD commented the definition of “veteran” is not consistent with definitions in other areas of New Mexico law, including the Tax Code, Motor Vehicle Code, and laws related to the VSD.

ADMINISTRATIVE IMPLICATIONS

A number of affected licensing authorities will be required to conduct rulemaking.

HB120 would also require annual reporting to the Office of Military Base Planning from boards, commissions, and other oversight entities regarding the number of fee waivers provided to military service members, their spouses, children, and veterans. HB120 also creates requirements for RLD and others in response times and other processing of applications for licensure or certification.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP:

Relates to Chapter 6 (House Bill 30) from the 2020 legislative session.

OTHER SUBSTANTIVE ISSUES

According to PED, New Mexico is experiencing a teacher shortage. While the department already waives fees and expedites licenses for teachers, the bill could incentivize New Mexico veterans, military service members, spouses, and children with a fee waiver to pursue a career in education.

ALTERNATIVES

RLD notes the bill does not identify the types of documentation required to meet the “substantial equivalence” criteria for licensure. If each licensing authority was provided the authorization to enact rules for purposes of verification of an applicant’s “substantial equivalence,” authorities would be enabled to review and assist applicants in submitting the required documentation.