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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/11
 LAST UPDATED 02/15/11 **HB** _____

SPONSOR Griego, P.

SHORT TITLE Real Estate Appraiser Board Actions **SB** 246/a SCORC

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 54 & SB 55

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Regulation & Licensing (RLD)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee amendment to Senate Bill 246 removes language requiring that federal statutes, regulations and policies be acted upon within one year of the complaint.

The amendment adds language providing that the time limitations set forth in the Uniform Licensing Act shall not apply to the processing of administrative complaints filed with the Real Estate Appraisers Board which shall be governed by federal statute, regulation or policy.

Synopsis of Original Bill

Senate Bill 246 amends NMSA 1978, Section 61-30-15.B of the Real Estate Appraisers Act to require that complaints against New Mexico-licensed real estate appraisers be administratively adjudicated within one year of the Real Estate Appraisers Board (Board) receipt of the complaint to comply with federal law.

FISCAL IMPLICATIONS

There are no fiscal implications.

SIGNIFICANT ISSUES

The Board, along with all other state appraisers licensing entities throughout the United States, is under the federal oversight of the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC), a multi-agency body that promotes uniformity in the supervision of financial institutions.

The purpose of the ASC is to assist the States in continuing development and maintenance of appropriate organizational and regulatory structures for certifying, licensing, and supervising real estate appraisers.

One of the many ASC policies by which state appraisers boards must abide is one which requires that final state agency administrative decisions regarding complaints against appraisers occur within one year of the complaint filing date. Without that explicit requirement in its Real Estate Appraisers Act, New Mexico is out of compliance with ASC policies.

The one- year deadline in SB 246 for completing administrative action on complaints conflicts with NMSA 1978, Section 61-1-3.1 of the Uniform Licensing Act, under whose jurisdiction the Real Estate Appraisers Board also falls, which says a licensing board must initiate action against a licensee not later than two years after the filing of the complaint with the board. The ASC policy described above is a far stricter standard than two-year statute of limitations under the Uniform Licensing Act.

ADMINISTRATIVE IMPLICATIONS

RLD states that the major administrative implication of SB 246 is the challenge it presents to the Board to meet the one year deadline with only one Board staff member dedicated to processing complaints and one administrative prosecutor from AGO with responsibilities for prosecuting complaints for multiple state agencies and licensing boards.

RELATIONSHIP

Senate Bill 246 relates to SB 54, Add Real Estate Appraisers Board Members and SB55, Real Estate Appraisal Company Definitions

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequence of not enacting SB 246 is that the New Mexico Real Estate Appraisers Board will remain out of compliance with federal ASC policies and could face federal sanctions, up to and including de-recognition of New Mexico appraisers to conduct appraisals in connection with federally-guaranteed transactions.

DW/svb:mew