

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](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/19

SPONSOR Nibert LAST UPDATED \_\_\_\_\_ HB 296

SHORT TITLE Actual Authority for Business Entities SB \_\_\_\_\_

ANALYST Glenn

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Attorney General (NMAG)

### SUMMARY

#### Synopsis of Bill

House Bill 296 adds a new section to Chapter 47, Article 1 NMSA 1978, which relates to the conveyance of real property. HB 296 specifies persons within a “business entity,” as defined by the bill, who have authority to execute instruments and contracts for the transfer or encumbrance of real property owned by the entity.

HB 296 permits a business entity to limit or expand the authority of the persons described in the bill by filing a statement with the appropriate county clerk.

HB 296 provides that, with certain exceptions specified in the bill, contracts for the transfer or encumbrance of real property by a person not authorized by the bill may be relied upon if the contracts were recorded more than ten years ago.

HB 296 has an effective date of July 1, 2019.

BG/gb