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## FISCAL IMPACT REPORT

SPONSOR: Wallace DATE TYPED: 03/10/03 HB HM 40

SHORT TITLE: Home Inspection Industry Study SB \_\_\_\_\_

ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$0.1 See Narrative	Non-Recurring	NMFA

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Memorial 40 requests the Mortgage Finance Authority Act Oversight Committee (MFAAPC) to conduct a study, including a minimum of one public hearing, of the home inspection industry.

Reasons for this study are outlined below:

- A home is usually the largest investment consumers' make;
- Home inspection has become a vital consumer protection industry;
- Home inspections provide a safeguard to consumers so that the initial investment in a home will not be followed by large, unexpected repair costs unknown at the time of purchase; and
- Sale of real estate, accompanied by home inspection, is a good sale.

HM 40 requires the committee's report findings and recommendations to be submitted to the speaker of the House of Representatives, members of the New Mexico legislative council, and members of the MFAAPC by November 1, 2003.

**FISCAL IMPLICATIONS**

If adopted, HM 40 would require the MFAAPC to hold at least one public hearing and to prepare a formal report to be submitted to the speaker of the House of Representatives, members of the New Mexico legislative council, and to the MFAAPC.

RLG/yr