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FISCAL IMPACT REPORT

SPONSOR Laranaga DATE TYPED 2/16/05 HB 674

SHORT TITLE Local Government Inspector Contracts SB _____

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

No comments were received from the Regulation and Licensing Department at the time this F.I.R. was prepared.

SUMMARY

Synopsis of Bill

House Bill 674 would allow the director of the Construction Industries Division (CID), as well as municipalities and counties to contract for state inspectors. HB674 would also require inspectors to hold a national inspection certification for the type of inspection services to be performed. The national certification would suffice to demonstrate competency for the type of inspections.

Significant Issues

DFA indicated the New Mexico Home Builders Association supports HB674, because current statute limits inspectors' ability to conduct multiple and efficient inspections. Additionally, the Association is concerned that current statute unnecessarily limits the number of inspectors, because the law has been interpreted as allowing only inspectors that are "employed" by a county or municipality to conduct the inspections. HB674 would allow local governments to use contract inspectors and would also a person who is certified in one or more specialty to inspect in any or all of those specialties.

Two possible concerns were highlighted in the comments on HB674. First, according to DFA, HB674 could potentially allow individuals who are not familiar with New Mexico's building codes to serve as inspectors. DFA indicated that CID is concerned that HB674 would reduce the agency's ability to resolve consumer complaints (about 600 per year) by removing CID from the certification process.

ALTERNATIVES

DFA suggested one alternative might be to enact a less sweeping change by clarifying that local governments may contract for inspectors.

DH/lg