

AN ACT

RELATING TO CONSTRUCTION INDUSTRIES LICENSING; AMENDING
SECTION 60-13-49 NMSA 1978 (BEING LAWS 1967, CHAPTER 199,
SECTION 57, AS AMENDED) PROVIDING FOR PROOF OF RESPONSIBILITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-13-49 NMSA 1978 (being Laws 1967,
Chapter 199, Section 57, as amended) is amended to read:

"60-13-49. PROOF OF RESPONSIBILITY.--

A. No applicant for a contractor's license or for
renewal of a contractor's license shall be issued a license
until the director determines that the applicant furnishes
proof of responsibility pursuant to Subsection B of this
section.

B. Proof of responsibility shall be a bond of ten
thousand dollars (\$10,000) acceptable to the director and
underwritten by a corporate surety authorized to transact
business in New Mexico. Such bond shall meet the following
conditions:

(1) payments from a bond required pursuant
to this section shall only be used to cure code violations
caused by a licensee, certified by the division and not
corrected by the licensee. Claims against the bond shall be
made within two years following final inspection by the
governmental entity having jurisdiction over code enforcement

or within two years of issuance of a certificate of occupancy for the construction project, whichever is earlier;

(2) the total aggregate liability of the surety for all claims shall be limited to the face amount of the bond;

(3) the bond carrier shall provide to the division and to the licensee thirty days' prior written notice of intent to cancel a bond required pursuant to this section. The surety for such a bond shall remain liable under the provisions of the bond for all obligations of the principal pertaining to bond terms that occur before the bond is canceled, expires or otherwise becomes ineffective;

(4) failure to maintain the bond for the period required by law is cause for revocation of the license; and

(5) if the bond is canceled, expires or otherwise becomes ineffective during the period of a license, the division shall notify the licensee that a new bond is required. If the licensee has not provided proof of a new bond before the fortieth day after the date on which the bond was canceled, expired or otherwise became ineffective, the license shall be subject to revocation for failure of proof of responsibility."

Section 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2009. _____