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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/28/11

SPONSOR Gonzales LAST UPDATED \_\_\_\_\_ HB 533

SHORT TITLE Waive Certain Contractor Licensing Fees SB \_\_\_\_\_

ANALYST Sanchez, C.

### APPROPRIATION (dollars in thousands)

| Appropriation |      | Recurring<br>or Non-Rec | Fund<br>Affected |
|---------------|------|-------------------------|------------------|
| FY11          | FY12 |                         |                  |
|               | NFI  |                         |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

Attorney General's Office (AGO)

### SUMMARY

#### Synopsis of Bill

House Bill 533 would exempt a licensee who is a sole proprietor, who is over 65 years old, whose license is in good standing, and who has paid licensing fees in New Mexico for a minimum of 35 years from paying license renewal fees.

### FISCAL IMPLICATIONS

According to the Regulation and Licensing Department (RLD), since the Construction Industries Division (CID) does not keep statistics on the criteria for the fee waiver, there is presently no information on which to estimate the impact of the exemption. Based on the criteria, however, it is not expected that the impact would be significant.

### SIGNIFICANT ISSUES

According to RLD, the CID licensing function is outsourced to a vendor which collects the licensing fees and which is compensated for its services through retention of a percentage of the fees. The contract with the vendor may need to be evaluated and amended to address the reduction in compensation.

**TECHNICAL ISSUES**

According to the Attorney General’s Office, drafters might clarify that all four criterion must be met by adding either “and” after each numbered section or adding language to beginning of subsection B as follows: B. The division shall not charge fees established pursuant to subsection A of this section to a contractor who meets all the following:

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo

CS/bym