

SENATE BILL 238

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

James P. White

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO REAL PROPERTY; AUTHORIZING THE NEW MEXICO REAL ESTATE COMMISSION TO REQUIRE THAT A REAL ESTATE BROKER THAT MANAGES RESIDENTIAL REAL PROPERTY PROVIDE A BOND TO PROTECT THE REAL PROPERTY OWNER.

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

SECTION 1. A new Section 61-29-4.5 NMSA 1978 is enacted to read:

"61-29-4.5. [NEW MATERIAL] ADDITIONAL POWERS OF COMMISSION--RESIDENTIAL PROPERTY MANAGEMENT BOND.--

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A. The commission may adopt rules that require that a licensee SCORC→~~that~~ who←SCORC provides or declares an intent to provide residential property management services to others shall file with the commission a surety bond in favor of the commission in a total aggregate amount of not less than one hundred thousand dollars (\$100,000), conditioned to pay the actual damages suffered by property owners and tenants as a result of financial harm caused by mismanagement, misappropriation, deceit or embezzlement of an owner or tenant's funds deposited SCORC→or required to be deposited←SCORC in a property management trust account. The bond shall be executed by a surety insurer authorized to do business in this state. The commission may permit exceptions to the requirement for a bond.

B. Bonds shall remain in effect during the term of the license. Without prejudice to any liability accrued prior to a cancellation, sureties may cancel their bonds by giving written notice to the commission at least thirty days prior to the effective date of the cancellation.

C. The commission is authorized to solicit sealed, competitive proposals from bonding companies to provide to licensees that provide residential property management services a group professional bond program that complies with the terms and conditions established by commission rule. The commission may approve one or more bond policies that comply with the

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commission rules.

D. Rules adopted by the commission shall permit a licensee that provides residential property management services to satisfy the requirement for bonding by participating in a group program offered by the commission or by purchasing an individual bond."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.