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FISCAL IMPACT REPORT

SPONSOR: Boitano DATE TYPED: 03/09/03 HB _____

SHORT TITLE: Real Estate Broker Licensure SB 571/aSCORC/aSFI#1

ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		\$0.1 See Narrative	Recurring	Real Estate Commission Fund, Real Estate Recovery Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB 43 Amend Real Estate Licensing, SB 443 Real Estate Licensee Requirements,
SB 45 Real Estate Broker Responsibilities

SOURCES OF INFORMATION

LFC Files

Response Received From
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of SFI#1 Amendment

Senate Floor amendment #1 strikes SCORC amends 2, 5, and 6:

Technical corrections clarifying that requirements for real estate licensure are for
“qualifying” brokers; and

Striking on page 2, line 4, the addition of the words "or associate broker" after the
word "salesperson".

Amendment 2 restores the qualifications and educational requirements to those required in the original law.

SFI#1 also amends 61-29-9, qualifications for license, to add a new subsection (5) as outlined

below:

"(5) an applicant for a qualifying broker's license shall have been actively engaged in the real estate business as an associate broker or salesperson for at least two years and furnish the commission a certificate that he has completed successfully a broker basics course approved by the commission."

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee amendment to Senate Bill 571 makes a technical correction clarifying that requirements for real estate licensure are for "qualifying" brokers.

Additionally, SB 571/aSCORC strikes language from page 1, line 24 and 25 pertaining to non-resident brokers. The statutory reference stricken from Section 61-29-9(B) NMSA 1978 is outlined below:

61-29-14. Nonresident brokers. (Repealed effective July 1, 2006.).

A. An application for issuance of a license or renewal of an existing license shall be accepted from a nonresident applicant who is a broker licensed in another state only if the other state extends the privilege of reciprocal licensure to licensees in New Mexico. A qualifying nonresident may become a New Mexico nonresident licensee by conforming to all the conditions of Chapter 61, Article 29 NMSA 1978.

B. In its discretion, the commission may recognize, in lieu of the recommendations and certificates required to accompany an application for a license, the license issued to a nonresident in another state, provided the other state extends the privilege of licensure to licensees in New Mexico. The license shall be issued upon payment of the license fee, verification that the applicant has complied with his resident state's current education requirements, of which ninety classroom hours for a nonresident broker must be approved by the commission and thirty of which shall have been a broker basics course, and the filing by the applicant with the commission of a certified copy of the applicant's license issued by the other state, if the applicant:

(1) maintains an active place of business in the state by which he is licensed and meets the licensing requirements of Section 61-29-10 NMSA 1978; and

(2) files with the commission an irrevocable consent that suits and actions may be commenced against him in the proper court of any county of this state in which a cause of action may arise or in which the plaintiff may reside, by the service of any process or pleadings authorized by the laws of this state on the commission, the consent stipulating and agreeing that such service of process or pleadings on the commission is as valid and binding as if personal service had been made upon the applicant in New Mexico. The instrument containing the consent shall be acknowledged and, if executed on behalf of a corporation or association, shall be accompanied by a certified copy of the resolution of the proper officers or manag-

ing board authorizing the executing officer to execute the instrument. Service of process or pleadings shall be served in duplicate upon the commission; one shall be filed in the office of the commission and the other immediately forwarded by registered mail to the main office of the applicant against which the process or pleadings are directed.

Synopsis of Original Bill

Senate Bill 571 amends real estate licensure requirements and requires applicants for real estate license to have performed actively as a real estate salesperson for at least two years. This bill also deletes the requirement that an applicant must successfully complete 180 hours of instruction in basic real estate courses approved by the Real Estate Commission.

Significant Issues

Currently, an applicant must have worked as an active salesperson for twenty-four months out of the preceding thirty-six months immediately prior to filing for licensure.

FISCAL IMPLICATIONS

If adopted, this bill may result in additional revenue due to a larger number of real estate licensure applicants.

ADMINISTRATIVE IMPLICATIONS

The Real Estate Commission may experience an increase in applicants due to the new qualification requirement (omission of the required 180 classroom hours). Applicants, who have completed the two-year requirement outside of the thirty-six month time frame under current law, may also be inclined to seek licensure, thus increasing Commission staff workload.

RLG/njw:yr