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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/19

SPONSOR Rue LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Notice to Remove Appraiser from Panel SB 56

ANALYST Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 56 would amend Section 47-14-20 NMSA 1978, which deals with disputes between appraisal management companies and independent appraisers who are hired by those companies to determine the value of real estate. These terms are defined in statute as follows:

D."appraisal management services" means the process of receiving a request for the performance of real estate appraisal services from a client, and for a fee paid by the client, entering into an agreement with one or more independent appraisers to perform the real estate appraisal services contained in the request;

E."appraiser" means a person who provides an opinion of the market value of real property and holds a state license, registration or certified license in good standing;

F."appraiser panel" means a group of independent appraisers that have been selected and retained by an appraisal management company to perform real estate appraisal services for the appraisal management company.

The amendment would have the sole effect of striking words in the statute allowing independent appraisers to be removed from their panels without notice and without an ability to contest the action during their first month of being added to the panel. Appropriate notice and ability to contest the determination would need to be given to all independent appraisers regardless of the duration of their employment.

**FISCAL IMPLICATIONS**

No fiscal impact is anticipated, and no appropriation is made.

**SIGNIFICANT ISSUES**

RLD notes that “this bill corrects language in the statute to comply with Appraisal Subcommittee requirements and is needed to meet federal standards” in advance of an anticipated audit of the Appraisal Subcommittee in June 2019.

LAC/al