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FISCAL IMPACT REPORT

SPONSOR	Martinez	DATE TYPED	1/31/2004	HB	
SHORT TITI	LE Rio	Arriba Mobile Livestock Slaughter U	J nit	SB	153
			ANAI	YST	Aguilar

APPROPRIATION

Appropriation	on Contained	Estimated Additional Impact		Recurring	Fund
FY04	FY05	FY04	FY05	or Non-Rec	Affected
	\$225.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (ED)

New Mexico Livestock Board (LB)

New Mexico Department of Agriculture (DAG)

SUMMARY

Synopsis of Bill

Senate Bill 153 appropriates \$225 thousand dollars to DFA to support the North Central Economic Development District in conducting a feasibility study, developing a business plan and planning the construction of a certified mobile livestock slaughter unit in Rio Arriba County.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

Significant Issues

Rio Arriba County has the second most number of farms in New Mexico, but is ranked 21 of 31 for cash receipts from all farm commodities. Certified livestock slaughter facilities do not exist in northern New Mexico to meet the needs of small-scale beef and lamb producers. Access to certified livestock slaughter facilities is limited and the cost of freight to transport the animals to

Senate Bill 153 -- Page 2

slaughter and then to market is excessive. This will stimulate rural economic development.

The New Mexico Livestock Board notes that meat products sold to the general public must be inspected by a federal or state meat inspector. State laws, rules and regulations currently allow only for permanent structures and not mobile slaughter units to be used for these activities. If this legislation is approved, an additional meat inspector would be needed to cover the slaughter duty at the mobile slaughter unit. The unit would still have to meet the requirements for any slaughter facility.

The Livestock Board also notes that permanently assigning a meat inspector to the mobile unit would involve an additional \$42 thousand in recurring costs if the program is ultimately implemented.

The Environment Department reports that liquid and solid wastes resulting from a mobile live-stock slaughter unit will need to be disposed of in accordance with applicable state and federal statutes and regulations including the New Mexico Water Quality Act and Water Quality Control Commission Regulations, the New Mexico Solid Waste Act and the federal Clean Water Act.

The Environment Department also notes that slaughter wastes include solid and liquid wastes such as rendered blood as well as carcasses that require disposal or may be sold as animal byproducts. The feasibility study should take into consideration the disposal of liquid and solid wastes including wash-down water from the mobile livestock slaughter unit. Slaughter wastes, not sold as by-products are required to be disposed of at a permitted facility.

TECHNICAL ISSUES

Page 2 Line2 – replace 2004 with 2005

OTHER SUBSTANTIVE ISSUES

The Livestock Board recommends that language be inserted to include a representative of the Livestock Board Meat Inspection Division and the Environment Department to ensure that all applicable regulations are considered in the feasibility study.

PA/lg