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FISCAL IMPACT REPORT

SPONSOR Bandy ORIGINAL DATE 01/28/13
LAST UPDATED _____ HB 90
SHORT TITLE Horse Slaughter Facility Study SB _____
ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$20.0	Nonrecurring	General Fund

Relates to HJM 16

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico Department of Agriculture (NMDA)

No Response From

New Mexico Livestock Board (NMLB)

SUMMARY

Synopsis of Bill

House Bill 90 appropriates \$20 thousand dollars from the general fund to the board of regents of New Mexico state university to conduct a study of the feasibility of locating a horse slaughter facility in New Mexico to process horse meat for human consumption.

FISCAL IMPLICATIONS

The appropriation of \$20 thousand dollars contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED reports that prior to 2006, the horse slaughter industry in the U.S found a ready market for horse meat, primarily in Asia and Europe. There, however, exists no viable market for horse

meat in the U.S. The department also cites that from 2006 to 2011, no federal money could be used to inspect horse meat. As a result the horse slaughter industry in the U.S. effectively ended.

P.L. 112-55, the Consolidated and Further Continuing Appropriations Act of 2012, as reported in H.R. 112-284, lifted this prohibition. As a result, the de facto ban on horse slaughter ended.

The Extension Horse Program Newsletter May – August 2012 reports that proponents of “humane” horse slaughter point to the vast numbers of “unwanted horses” in the U.S. caused primarily by over breeding and the abandonment of horses due to significant increases in feed costs. Subsequently, the market for lower-value horses decreased, and the number of unclaimed and abandoned horses increased significantly. In 2011 federal inspection funds were restored making it possible for domestic horse slaughter for human consumption to resume; however, United States department of agriculture has not issued the protocols for drug residue testing and has not approved any facilities for operation to date.

The NMDA cites that it will collaborate with faculty and staff at NMSU to study the feasibility of locating a horse slaughter facility in New Mexico to process horse meat for human consumption.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the proposed feasibility study (HJM 16) of locating a horse slaughter facility in New Mexico would require the acquisition of funds from another source.

MIR/bm