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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/19/15  
**LAST UPDATED** 3/18/15     **HB** 415/aHAWC/aSPAC

**SPONSOR** Trujillo, CA

**SHORT TITLE** Statewide Dog and Cat Spay and Neuter Program     **SB** \_\_\_\_\_

**ANALYST** Elkins

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	See Text	See Text	Recurring	Animal Care and Facility Fund

(Parenthesis ( ) Indicate Revenue Decreases)

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

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Text	See Text		Recurring	Animal Care and Facility Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Senate Public Affairs Committee Amendment

Senate Public Affairs Committee Amendment to House Bill 415 requires the Animal Sheltering Board to develop criteria for individuals, groups, animal shelters, and euthanasia agencies to receive assistance for dog and cat sterilization. Also, the board is required to develop a voluntary statewide dog and cat spay and neuter program.

Synopsis of House Agriculture, Water, and Wildlife Committee Amendment

House Agriculture, Water, and Wildlife Committee Amendment to House Bill 415 clarifies that twenty-five dollars of the fee collected for each pet care special registration plate is distributed to the statewide spay and neuter subaccount of the animal care and facility fund.

Synopsis of Original Bill

House Bill 415 requires the Animal Sheltering Board to develop and implement a statewide dog and cat spay and neuter program. The bill proposes to allow individuals to designate a portion of their income tax refund go to the animal care and facility fund to carry out the statewide dog and cat spay and neuter program. Also, the bill creates the statewide spay and neuter subaccount. Contributions made by individuals' income tax refunds and money raised by the special registration plates issued pursuant to Section 66-3-424.3 NMSA 1978 shall be deposited in the subaccount.

**FISCAL IMPLICATIONS**

The Animal Sheltering Board conducted a study to establish the feasibility of creating a fund to aid low-income household in sterilizing, vaccinating, and spaying or neutering their pets and to educate the public on the importance of spaying and neutering. The study estimates the cost would be approximately \$600 thousand to \$2.5 million a year for at least five years. (<http://www.rld.state.nm.us/uploads/files/SM36%20Study%20Final%201-24-12%20FULL.pdf>)

For the board to carry out the mandate of implementing a statewide spay and neuter program, the board would need an additional FTE at the administrative level. The cost of the additional FTE would be \$61.4 thousand.

The board will need to adopt, promulgate, and revise rules necessary to develop and implement a statewide dog and cat spay and neuter program, which will require the board to pay the cost of a rule hearing to include advertising, printing, filing, board member per diem, and court reporting.

TRD does not have the data necessary to estimate the amount of voluntary contributions that would be made to the Animal Care and Facility Fund. However, historically voluntary donations have been minimal. According to the 2013 personal income tax data \$128,000 was contributed towards all existing voluntary contribution funds. This bill does not affect any other state revenues since the amount contributed to the Animal Care and Facility Fund comes from refunds that would otherwise go back to taxpayers.

This bill requires changes to personal income tax, Gentax and Taxpayer Access Point documents and configurations, and revenue configuration changes are needed to configure the new recipient and the fund. TRD estimates a nonrecurring expense of \$21 thousand.

**SIGNIFICANT ISSUES**

According to RLD, this bill expand the board's authority to implement a statewide spay and neuter program– currently they can recommend plans and community outreach. Also, the current act gives the board authority to license euthanasia agencies. If an animal shelter does not euthanize the animals at the shelter they are not required to be licensed by the board. The board

would need to be granted authority over the licensing of animal shelters in order to have authority for the implementation of the dog and cat spay and neuter program.

TRD will need to add a new refund contribution election item to the PIT-D. Distribution procedures will be needed. Coordination with the fund program will be needed for the distributions and contact information. Changes can be made at minimal incremental cost during the annual renewal of income tax forms.

### **TECHNICAL ISSUES**

TRD offer the following amendment:

Revision should include the following to Section 66-3-242.3(D);

The revenue from the pet care special registration plates shall be distributed as follows:

- (1) ten dollars (\$ 10.00) of the fee collected for each pet care special registration plate shall be retained by and is appropriated to the division for the manufacture and issuance of the registration plates; and
- (2) twenty-five dollars (\$ 25.00) of the fee collected for each pet care special registration plate shall be paid to the state treasurer for credit to the animal care and facility fund “, **statewide spay and neuter subaccount**”.

CE/bb/je