

<b>LFC Requester:</b>	<b>Laird Graeser</b>
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## AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

### SECTION I: GENERAL INFORMATION

**Date Prepared:** 01/27/2025 *Check all that apply:*  
**Bill Number:** SB 101 Original  Correction   
 Amendment  Substitute

**Sponsor:** Pat Woods and George K. Munoz **Agency Name and Code:** New Mexico Livestock Board 50800  
**Short Title:** Increase Livestock Fees **Person Writing:** Belinda Garland  
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### SECTION II: FISCAL IMPACT

#### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0		

(Parenthesis ( ) indicate expenditure decreases)

#### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
	\$0	\$0		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$0	\$0	\$0		

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SECTION III: NARRATIVE**

The New Mexico Livestock Board (NMLB) currently receives 50% of its revenue from fees, defined in Statute and set by the Board in Rule for operational needs. Fees defined in Statute have met their “not-to-exceed” amounts thus not allowing for an increase in fees since 2002. This bill proposes to increase the “not-to-exceed” amounts set in Statute and allow the Board the ability to raise fees as needed through the Rule Making process.

### **BILL SUMMARY**

This bill allows for increasing the “not-to-exceed” amounts, set in Statute, of certain fees imposed by the New Mexico Livestock Board

#### Synopsis:

This bill gives the New Mexico Livestock Board (NMLB) the flexibility to raise brand and inspection fees as needed to increase revenues to help cover agency operating expenses.

Although this bill raises the “not-to-exceed” limits on brand and inspection fees the New Mexico Livestock Board may collect, the actual amounts are set in Rule by the Board through the official Rule Making process, which includes public comment. All incremental increases must be approved by a quorum vote of the Board.

It is important to note the following items:

- 1) The proposed “not-to-exceed” fees are to be slowly implemented over a 20-to-30-year plan and will not be fully adopted immediately.
- 2) New Mexico State Statute mandates that Livestock inspection fees may not increase more than ten cents in a fiscal year. Sheep and goat inspection fees may not increase more than four cents in a fiscal year.
- 3) With the addition of Sub-section “O”, livestock that are on seasonal grazing allotments will pay 50% of the inspection fee for bi-annual movement.
- 4) Registered brand renewal fees are collected once every three, six or twelve years and prorated, over the applicable period, and applied into the Board’s operating revenue.

### **FISCAL IMPLICATIONS**

This bill amends the “not-to-exceed” amounts of certain fees imposed by the New Mexico Livestock Board. Therefore, the bill itself has no negative fiscal impact for the NMLB. Furthermore, this bill gives the New Mexico Livestock Board the flexibility to increase revenues to help cover operating expenses.

Possible Fiscal Impacts on Revenue upon Board action:

- At an average of 2,500,000 head of livestock inspected per year, an increase of \$.10 per head would result in \$250,000 in additional fees collected each year. An incremental increase of \$.10/year in each of the next three years would reduce the amount of additional General Funds required by a total of \$750,000 by the end of the third year.
- At an average of 50,000 inspections per year over the last 5 years, an increase in the service charge for performing an inspection from \$10 to \$20 would result in \$500,000 in

additional fees collected each year. That would further reduce the amount of additional General Funds required.

- With 25,000 current brands, an increase in the brand fee from \$100 to \$125 would result in \$625,000 in additional fees collected every three years. That would further reduce the amount of additional General Funds required.

## **SIGNIFICANT ISSUES**

The NMLB has canvassed the state by attending meetings with the Livestock Industry and has received support and opposition. The majority of the industry has indicated that an increased inspection fee and service charge would be acceptable if the funds continue to be focused on theft prevention and health of livestock.

It is important to note that the New Mexico State Veterinarian is housed in the NMLB. This allows the State Vet to have access to the full staff, including investigators and inspectors, to assist in the event of a disease outbreak. For example, the NMLB provided a task force team to canvas the eastern side of the state to help contain and eliminate an outbreak of the H5N1 Highly Pathogenic Avian Influenza that had occurred in Texas and eastern New Mexico. The NMLB trains and prepares for these significant events that could be potentially devastating to the NM Livestock Industry. An increase in fees will help secure continual training and acquiring needed equipment for the control of diseases and preserving health throughout the livestock industry.

Also, the NMLB now has a fully staffed Investigative Unit which covers the entire state. This team is proving to be highly successful in the prevention of theft of livestock across the state. This small group of investigators also work with all the NMLB inspectors and other Law Enforcement agencies in the reporting and enforcement of animal cruelty cases.

## **PERFORMANCE IMPLICATIONS**

By increasing inspection and brand fees, set in Statue, the future protection of the Livestock Industry by the New Mexico Livestock Board is more secure. As operating costs rise, the risk of not filling vital positions and not providing staff with adequate equipment rises.

## **ADMINISTRATIVE IMPLICATIONS**

None

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

## **TECHNICAL ISSUES**

None

## **OTHER SUBSTANTIVE ISSUES**

None

## **ALTERNATIVES**

None

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Section 77-2-29 NMSA 1978 (being laws 1981, amended 357, section 2, as amended) will not be amended. The “not-to-exceed” fee amounts imposed by the NMLB would not be increased, therefore needing more general appropriations to conduct daily business. If general funds are not available, it could put the future of the New Mexico Livestock Industry in peril. The NMLB provides some of the most significant protection, found in the United States, to producers across New Mexico. When employees of the NMLB communicate with other livestock agencies across the nation they are envious of the laws and protection enforced by the NMLB. The state of NM experiences small incidents of livestock larceny due to the NMLB requirements for movement of livestock both in and out of the state and across district lines. This high level of protection is accomplished with adequate staff and equipment and without proper funding those essential items may not be attainable.

## **AMENDMENTS**

None