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FISCAL IMPACT REPORT

SPONSOR Chatfield LAST UPDATED _____
ORIGINAL DATE 1/30/25
BILL
SHORT TITLE State Meat Processor Assistance Grants NUMBER House Bill 150
ANALYST Jorgensen

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$3,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of House Bill 150

House Bill 150 appropriates \$3 million from the general fund to New Mexico State University to allow the New Mexico Department of Agriculture (NMDA) to provide grants to assist state meat processors in adapting to new meat processing technologies, changing market dynamics, easing their regulatory burden, and overcoming inefficiencies in the meat production chain. Any unexpended or unencumbered balance remaining at the end of fiscal year 2029 shall revert to the general fund.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a nonrecurring expense to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

SIGNIFICANT ISSUES

NMDA reports:

According to the United States Department of Agriculture (USDA) Food Safety and Inspection Service, there are eight livestock slaughter facilities currently under a federal grant of inspection [operating in New Mexico], allowing for public sale and consumption. NMDA is aware of an additional twenty-three facilities operating within the state as custom exempt livestock slaughter operations. A custom-exempt operation can only slaughter and process livestock for the exclusive use of livestock owner(s). This product cannot be sold to the public and is for immediate consumption. All slaughter and processing operations within the state are considered small by USDA standards.

State grocery retailers, foodservice distributors, and institutional buyers are eager to see more local buying opportunities for local meat. Small to mid-size producers across the state have expressed interest in selling direct for public consumption. With this, state meat processors may need to invest in operational improvements and upgrades (equipment and infrastructure) to meet or exceed state-level inspection program requirements.

CJ/rl