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FISCAL IMPACT REPORT



SPONSOR: Stell DATE TYPED: 01/28/02 HB 42/aHAGC

SHORT TITLE: Livestock Board Fees SB _____

ANALYST: Valenzuela

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
		\$0.1 Indeterminate		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

- *Report of the Legislative Finance Committee to the Forty-fifth Legislature, Second Session, January 2002 for Fiscal Year 2002-2003, pp 369 - 380.*
- New Mexico Livestock Board

SUMMARY

Synopsis of HAGC Amendment

The House Agriculture Committee (HAGC) amendment to House Bill 42 lowers the proposed inspection fee from \$.30 to \$.24 for sheep/goats and from \$1.00 to \$.75 for livestock and hide inspections. A revised spreadsheet is attached. The amendment further limits the Livestock Board's ability to increase its fees every year by no more than \$.04 for sheep/goats and \$.10 for livestock or hides.

Synopsis of Original Bill

House Bill 42 amends the Livestock Code by raising the statutory cap for numerous inspection, license and recording fees imposed on the livestock industry by the New Mexico Livestock Board. The bill also increases the statutory cap on butchers, slaughterhouses and fresh meat products dealers. Attachment A provides a summary of the fee increases.

Significant Issues

The Livestock Board would have to hold public hearings to revise its fee schedule in its rules before the livestock industry would be required to pay any additional fees over the current fee structure. According to the board, it does not intend to increase fees at this time.

FISCAL IMPLICATIONS

The bill would not result in additional revenue until the Livestock Board acted to revise its rules. Therefore, a projection of increased revenues is difficult to estimate. At a minimum, the fee changes could increase revenues by \$500.0, annually. The agency did not provide a projection of potential revenue generated from a hypothetical fee increase.

Livestock Inspection Revenues. According to the agency analysis, the Livestock Board’s expenditures are outpacing revenues. The current funding system (industry support) does not support the current inspection system. As a result, the board increased its inspection fees and service charges for cattle, sheep and swine on July 1, 2001. The agency projections indicate these changes could generate additional revenue of \$540.1.

Meat Inspection Revenues. Revenues, comprised of license fees placed on fresh meat dealers, butchers and slaughterhouses, for the Meat Inspection Division have declined. These fees have not increased since 1977 because of statutory limits. Consequently, the general fund supports the division at an increasing rate. The table below identifies the caps on license fees by category.

Category	Federal Limit	State Limit	HB42 proposed
Butcher	\$100	\$25	\$100
Slaughterer	\$100	\$25	\$100
Dealer of fresh meat products	\$100	\$10	100

MFV/ar
Attachment