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## FISCAL IMPACT REPORT



SPONSOR: Lyons DATE TYPED: 02/08/02 HB \_\_\_\_\_

SHORT TITLE: Contagious Diseases in Gaming Animals SB 151/aSfI#1

ANALYST: Valenzuela

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			\$8,200.0 See Narrative	Recurring	Game Protection Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC files  
New Mexico Livestock Board  
Department of Game and Fish

### SUMMARY

#### Synopsis of SFI#1 Amendment

The Senate Floor amendment No. 1 makes three revisions:

- Clarifies that the State Veterinarian of the New Mexico Livestock Board or designee would be responsible for examination of the infected game animals;
- Tightens up the applicability of provisions of the bill by requiring that any effort on the department to mitigate a chronic disease outbreak be performed for a “licensed private park”;
- Changes the word “purchase” to “indemnification”, which would still require the department to compensate the licensed game parks for its loses that result from any action taken by the department to mitigate an outbreak.

#### Synopsis of Original Bill

Senate Bill 151 adds a new section to the statute which outlines the duties of the State Game Commission with regard to the Game Protection Fund. The new section directs the department to promulgate rules for controlling or eradicating the spread of contagious disease in game animals. The bill would give the department the authority to mitigate any problem through quarantine, treatment or

destruction of the animals. Senate Bill 151 would allow DGF to use the Game Protection Fund to purchase the diseased animals and disinfect the premises where the animals had been housed.

### Significant Issues

Chronic Wasting Disease. This summer, chronic wasting disease was discovered on game ranches in Colorado. The incurable disease, similar to mad cow disease, afflicts elk and deer. Eradication of diseased animals is the only recommended solution to prevent the spread of the disease. Unfortunately, the only manner to determine if an animal has the disease is to sample tissue from the brain stem, which requires that the animal be killed. A gaming ranch in southwestern New Mexico purchased and transported to the state 15 elk from a ranch in Colorado that had infected animals.

According to the agency, the transport met all department regulations and was based on a clean health certificate. The department learned that the Colorado ranch tested positive for the disease shortly after the transport. As a result, DGF banned imports of elk from those states where the disease has been found. It also reimbursed the New Mexico rancher \$37.5 for the 15 elk it had to eradicate. The department argues the elk industry in New Mexico generates an estimated \$30 million a year, making the purchase of the diseased elk a sound investment. Some hunters, on the other hand, have argued that the game ranches, (who propagate, sell and trade game animals) should shoulder the entire level of risk.

The issue highlights a weakness in the department's statute, which is silent on the issue of paying producers for eliminating a portion of their herd for the protection of wildlife and, potentially, public health. Senate Bill 151 would clarify the statute in this regard.

Conflicting Authority. The New Mexico Livestock Board reports that enactment of Senate Bill 151 would create a conflict in the law regarding the quarantine authority of the State Veterinarian, who currently has the authority to mitigate animal disease in livestock or game animals. The agency points to correspondence it has received from the U.S. Department of Agriculture on the issue of chronic wasting disease which stated, ". . . the real enforcement of chronic wasting disease will depend on state law and will actually be carried out by the State Veterinarian." The Livestock Board asserts that if SB 151 is enacted, the federal government may seek similar quarantine authority throughout the state.

### **FISCAL IMPLICATIONS**

Senate Bill 151 does not carry an appropriation. However, its enactment could have a substantial impact on the Game Protection Fund. The DGF reports that New Mexico is home to 19 class A game parks and estimates an average elk population of 108/park. Based on an estimated average cost per elk of \$4000.00, the impact could be \$8.2 million. This estimate is based on the assumption that an outbreak of chronic wasting disease occurred in New Mexico and the department destroys the entire game park population. The department also notes that the cost to disinfect a game park could cost \$100.0 per park, based on a smaller scale facility; thus, the minimum disinfection cost could be approximately \$1.9 million.

The result of this amount of financial impact to the Game Protection Fund would be a fee increase.

### **ADMINISTRATIVE IMPLICATIONS**

The administrative impact will be substantial. The department will have to hold public hearings throughout the state in order to promulgate the rules.

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