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FISCAL IMPACT REPORT

SPONSOR Stell **DATE TYPED** 1/27/2004 **HB** 205

SHORT TITLE Increase NM Livestock Board Fee Limits **SB** _____

ANALYST Aguilar

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$1,400.0	See Narrative	Recurring	Livestock Board Operating Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Report of the Legislative Finance Committee to the Forty-Sixth Legislature, Second Session, January 2004 for Fiscal Year 2004 – 2005, pp. 363 - 370.

Response Received From
New Mexico Livestock Board

SUMMARY

Synopsis of Bill

House Bill 205 raises the fee limits on brand transfers, new brands, brand renewals and additional copies of certified copies of brands.

Significant Issues

Although this bill raises the limits on brand transfers, new brands, brand renewals and additional copies of certified copies of brands, the actual fees are set by the New Mexico Livestock Board.

In FY03, the agency reported that they expected to deplete the Livestock Board operating fund prior to the next livestock brand re-registration in July 2005. (The brand re-registration is a primary source of revenue for the agency and is expended over a three year period). Cost controls and modest growth contributed to improved fiscal condition. However it is expected that without a significant revenue increase or agency restructuring, the fund will not remain viable through the 2008 re-registration.

FISCAL IMPLICATIONS

This bill gives the New Mexico Livestock Board the flexibility to raise brand fees as needed to increase revenues to cover operating expenses.

Fees collected as a result of brand transfers, new brands, brand renewals and additional copies of certified copies of brands is generally collected once every three years and utilized over this period for a portion of the board's operating expenses. The estimate of \$1.4 million in additional revenue noted above is based on fees collected at the maximum allowable level. The additional revenue will be included in fees collected in calendar year 2005 and every three years thereafter.

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