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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/09

SPONSOR Martinez LAST UPDATED HB

SHORT TITLE Espanola Animal Shelter SB 358

ANALYST Aubel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$48.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB302; Relates to HB125

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Board of Veterinary Medicine (BVM)

SUMMARY

Synopsis of Bill

House Bill 302 appropriates \$48 thousand from the general fund to the Local Government Division of the Department of Finance and Administration for the purpose of funding animal shelter services, including a spay and neuter program, an animal transfer program, and operation expenses for an animal shelter in Espanola in Rio Arriba County.

FISCAL IMPLICATIONS

The appropriation of \$48 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the general fund.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The HAFC recommendation for general appropriations includes reductions in some areas where federal funds can be used. These reductions will have to be made up to maintain the current level of appropriations in FY11 and FY12. In FY11, \$150 million will have to be restored and in FY12, \$330 million will have to be restored. This is in addition to other appropriation increases required in FY11 to maintain current service levels or to implement statutorily scheduled funding increases, such as ERB contributions, instructional material funding replacement, and restoring Medicaid funding from the general fund instead of the tobacco settlement program fund. These add up to \$80 million to \$100 million.

SIGNIFICANT ISSUES

According to the Board of Veterinary Medicine, the explosion in the pet population of New Mexico has put a strain on the local government's animal control and sheltering services. A spay/neuter program is a mechanism to reduce the unwanted pet population. According to BVM, providing these services would reduce the load on local government and may improve the risk of public health issues surrounding an overpopulation of pets.

DFA maintains that the language contained in HB 302 does not indicate whether the animal shelter is run by the city, or is privately owned and providing contractual services to the city. Furthermore, the bill does it define what "other operational expenses" are. The agency concludes that any anti-donation issues will have to be addressed by the grant agreement administering this appropriation.

TECHNICAL ISSUES

BVM notes that by using the word "an" rather than "the" in defining shelter services, the bill implies creating a shelter. Both responding agencies suggest clarifying the language would be appropriate.

DUPLICATION, RELATIONSHIP

Senate Bill 358 duplicates House Bill 302.

House Bill 302 relates to HB 125, which requests funding for the spay/neuter program at the Socorro animal shelter.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

An animal shelter in Espanola will not be able to provide spay/neuter services that would otherwise be funded unless alternative source of revenues is found. Unwanted animal population may increase.

POSSIBLE QUESTIONS

1. What shelter is the bill referring to—is it owned by the city or county?
2. What t is the average population of the shelter?
3. Has the shelter had prior spay/neuter programs?
4. If so, how successful has the program been?