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FISCAL IMPACT REPORT

SPONSOR Woods **ORIGINAL DATE** 01/17/19
LAST UPDATED 01/23/19 **HB** _____

SHORT TITLE Beef Council Assessment Opt-Out **SB** 193/aSCONC

ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	\$53.0 - \$106.0	\$53.0 - \$106.0	Recurring	Other State Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture/New Mexico State University (NMDA)

SUMMARY

Synopsis of Amendment

The Senate Conservation Committee Amendment (SCONC) eliminates language relating to online requests for an opt-out form, mail preferences, and time requirements for certain notices.

Synopsis of Bill

Senate Bill 193 amends sections of the Beef Council Act to provide for an option for producers to opt-out of the council assessment.

FISCAL IMPLICATIONS

SB193 allows the New Mexico Livestock Board (the board), on behalf of the New Mexico beef council (the council), to collect the (state) council assessment of no more than one dollar (\$1.00) per head, in addition to the one dollar (\$1.00) per head currently collected at the federal level pursuant to the federal Beef Promotion and Research Act of 1985.

It also amends the method of determining how much the council is obligated to pay to the board for managing the collection of assessments. Currently, the council pays the board four cents

(\$.04) per head. The proposed amendment would change the rate from not more than four cents (\$.04) per head, to “no more than four cents (\$.04) per one dollar collected (\$1.00) on only those cattle involved in a transfer of ownership and not on refunded council assessments”.

SIGNIFICANT ISSUES

NMDA provided the following background:

In Section 1. B. (page 2, lines 14-25, and page 3, lines 1-10), producers are given the option to elect not to participate in the council assessment (opt-out) for each duly registered New Mexico livestock brand through an application process, and that application must be provided by the council. Upon receipt of the completed application form, the council must notify the board. The board then enters the request in their brand database to stop collection of the council assessment for the given brand. The council shall notify the producer requesting the opt-out within 30 days from the date of receipt of the completed form. The opt-out shall be in effect for three (3) years from the application date. A notice shall be mailed to the producer when the opt-out has expired. A producer can also revoke the opt-out option at any time by request made through the council.

ADMINISTRATIVE IMPLICATIONS

The proposed amendment to Page 3, Section 2, line 24, obligates the council, instead of the board, to provide an application form to anyone requesting a refund.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDA notes if SB 193 is not enacted, the council cannot collect the state assessment and will be limited to the current federal assessment of one dollar (\$1.00) per head upon all cattle involved in a transfer of ownership. Further, the one-dollar (\$1.00) assessment has remained unchanged since the Beef Promotion and Research Act of 1985 was enacted; therefore, its buying power has diminished over time (the original dollars are worth 44 cents in purchasing power today), which has caused them to eliminate, or scale down significantly, critical programs and functions.

AHO/sb/gb