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FISCAL IMPACT REPORT

SPONSOR <u>Hamblen</u>	LAST UPDATED <u>02/27/2023</u>
SHORT TITLE <u>Equine Definition</u>	ORIGINAL DATE <u>02/13/2023</u>
	BILL NUMBER <u>Senate Bill 271/aSJC</u>
	ANALYST <u>Sanchez</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	NM Livestock Board Operating Budget

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Conflicts with Senate Bill 301 (Free-Roaming Horses)

Sources of Information

LFC Files

Responses Received From

New Mexico Livestock Board (NMLB)
 Administrative Office of the Courts (AOC)
 Office of the Attorney General (NMAG)
 Board of Veterinary Medicine (BVM)
 State Racing Commission (SRC)
 New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to Senate Bill 271 strikes the words “the last” from references to sections outlining the timeframes for advertising sales of estrays. The effect of this change would be to limit the timeframe for claiming estrays to five days after the publication of a notice instead of five days after *the last* publication of a notice (emphasis added). The SJC amendment also adds language requiring publication to take place three days prior to disposition and that the publication includes a description of the equines.

Synopsis of Original Senate Bill 271

Senate Bill 271 proposes to amend several sections of state statute (see below) to include the word “equine” instead of “horses.” This change would expand the code to include ponies, mules, donkeys, hinnies, as well as horses.

Sections amended include:

- Section 7-2-30.7, NMSA 1978 (Optional designation of tax refund contribution; horse shelter rescue fund)
- Section 30-18-1.2 NMSA 1978 (Disposition of seized animals)
- Sections 77-2 through 77-18 NMSA 1978 (the Livestock Code)

Senate Bill 271 creates a new process for disposition where a registered equine rescue or retirement facility is granted the right of first refusal to purchase the equine for a fee equal to the cost of the impounding agency for care during impoundment. If the rescue/retirement facility does not purchase the equine, then the New Mexico Livestock Board will be required to auction the equine through a sealed bid process to be established by rulemaking.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

As the statute is currently written, NMLB is required to sell all livestock, including horses, to the highest bidder. With the change proposed in Senate Bill 271, it is possible that the NMLB will see a small decline in revenue. The agency's analysis states it does not believe the loss of revenue to be of great significance. The agency currently charges the eventual winning bidders for estrays, unwanted, and abandoned livestock for the cost of board and feed, microchipping, and Coggins testing. These costs would continue to be recovered under the proposed changes to the statute through the provisions permitting an "ownership transfer fee" for animals purchased under the "disposition of unclaimed estrays" section.

SIGNIFICANT ISSUES

Analysis by NMLB indicated there might be concerns about property rights under the proposed changes, stating:

As horses and all other livestock are considered property, there may be some issue regarding property rights. For instance, if an owner does come forward after the horse has been relinquished to a rescue, that owner may claim that their property rights were violated under a constitutional right.

PERFORMANCE IMPLICATIONS

The Administrative Office of the Court's analysis included concerns about the potential impacts on two of its performance measures: "Cases disposed of as a percent of cases filed" and "percent change in case filings by case type," explaining: "New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase."

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with SB301 (also amending Sections 77-2-30 and 77-2-31 NMSA 1978).