

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment _____
Correction _____ Substitute _____

Date Prepared 1/17/2025

Bill Number: HOUSE BILL 113

Sponsor: Lujan;
Short ANIMAL WELFARE
Title: PROGRAM AND TRUST

Agency Name
and Code DFA-341
Number: _____
Person Writing Bianca Quintana
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY29	FY30		
(10,000.0)		Nonrecurring	General Fund
10,000.0			Animal Welfare Trust Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		109.1	109.1	218.2	R	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 113 creates the Animal Welfare Program Fund and the Animal Welfare Trust Fund. It allocates \$10 million from the general fund to the Animal Welfare Trust Fund. Starting July 1, 2028, and on July 1 each year thereafter, a distribution shall be made from the Trust Fund to the Animal Welfare Program Fund in the amount equal to five percent (5%) of the average year-end market values of the trust fund for the preceding three calendar years. Starting in FY28, the DFA will start awarding funding to municipalities, counties, or eligible entities for projects that support the welfare of domestic cats and dogs.

Key Provisions:

- Establishes the Animal Welfare Program to fund projects for the welfare of domestic cats and dogs.
- Creates the Animal Welfare Trust Fund and the Animal Welfare Program Fund.
- Allocates \$10 million from the general fund to the Animal Welfare Trust Fund.
- Grants and contracts can be awarded to municipalities, counties, or eligible entities (nonprofits) for projects such as:
 - Controlling stray animals
 - Enforcing animal cruelty laws
 - Reducing shelter intake and euthanasia rates
 - Providing spay and neuter services
 - Caring for animals seized by law enforcement
 - Developing animal welfare education and outreach materials for the public
 - Providing essential resources for animal care to low-income households\
- Applications for grants must include project descriptions, expected costs, and completion dates.
- Funds must be spent within two years, with unspent funds reverted to the program fund.
- Annual reports on the program's progress and financials will be submitted to the legislative finance committee.
- The Animal Welfare Trust Fund will be invested, with annual distributions to the program fund starting July 1, 2028.

FISCAL IMPLICATIONS

- Administrative Costs: DFA will incur administrative costs to manage the animal welfare program and provide annual reporting. DFA anticipates administration of the fund will

require 1200 working hours per year. DFA has not included any administrative cost burden within its base budget for FY26. 26.

- An estimated cost of \$109,128 would be at needed to hire one program coordinator at a pay band 70 as detailed below for this purpose.

FTE Cost Detail	
Salary (70)	76,960.00
Benefits	27,538.00
ISD Rate	864.18
HCM Assessment Fee	350.00
Telecom Rate	616.01
On-Boarding Equipment	2,800.00
Total FTE Cost	109,128.19

- Initial Transfer: The bill provides an initial transfer of \$10 million from the general fund to the Animal Welfare Trust Fund, with investment distributions of 5% to the Animal Welfare Program Fund after FY 28.

SIGNIFICANT ISSUES

This bill does not provide for any allowance for anticipated administrative costs to administer the Animal Welfare Program Fund.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

- HB 113 requires the Department of Finance and Administration to perform the following administrative tasks:
 - Create a competitive review process for eligible project approval that evaluates an applicant's ability and competence to complete projects.
 - Promulgate rules for administration of applications, evaluation, and approval for projects.
 - Create a grant agreement template and reporting mechanisms for grantees.
 - Provide annual reports to the legislative finance committee on the program's progress, including funded projects, funding amounts, and administrative costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A.

AMENDMENTS

N/A.