

LFC Requester:

Connor Jorgensen

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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}*

**Date** 2/3/2025 *Check all that apply:*  
**Prepared:** \_\_\_\_\_  
**Bill** SB 231 Original  Correct  
**Number:** \_\_\_\_\_ ion \_\_\_\_\_  
 Amend \_\_\_\_\_ Substit  
 ment \_\_\_\_\_ ute \_\_\_\_\_

**Spons** \_\_\_\_\_  
**or:** Pat Boone  
**Agency** \_\_\_\_\_  
**Name and** \_\_\_\_\_  
**Code** \_\_\_\_\_  
**Number:** NMDA - 199  
**Person Writing** Jheitz@nmda.nmsu.ed  
**Analysis:** u  
**Pho** \_\_\_\_\_  
**ne:** 575-294-2817  
**Short** Beneficial  
**Title:** Substances Act  
**Ma** Jheitz@nmda.nm  
**il:** su.edu

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	152.0	152.0	Recurring	NMDA Fees

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	N/A	N/A	N/A			

(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**

Synopsis:

SB 231 establishes the authority to regulate the sale and distribution of beneficial substances in New Mexico. Beneficial substance is defined as a substance or compound, other than primary, secondary and micro-plant nutrients, and excludes pesticides, that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil or media. It requires registration of beneficial substances with the New Mexico department of agriculture (NMDA); mandates labeling standards to ensure transparency and safety; authorizes NMDA to inspect and sample for quality and safety compliance; establishes a registration fee limit, inspection fee limit, and an inspection fee minimum. It provides the authority to issue stop-sale orders, cancellation of registration and if necessary, administrative penalty for violations of the Beneficial Substances Act. It provides for exemptions, injunctions, procedural guidelines, and rulemaking. The bill also strikes the definition of a soil conditioner and all references to soil conditioners within the New Mexico Fertilizer Act (76-11 NMSA).

**FISCAL IMPLICATIONS**

Although SB231 proposes fee limits, the fiscal impact on NMDA’s budgets is unknown until the fees are established through the rule-making process, including approval by the New Mexico state university board of regents. The revenue noted above is an estimate using current product registrations and the new maximum fee structure.

**SIGNIFICANT ISSUES**

The Agriculture Improvement Act of 2018 (2018 Farm Bill) directed the U.S. department of agriculture (USDA) to submit a report to Congress on plant biostimulants identifying potential regulatory, non-regulatory, and legislative recommendations to ensure the efficient and appropriate review, approval, uniform national labeling, and availability of plant biostimulant products to agricultural producers. USDA consulted with the U.S. environmental protection agency and other stakeholders during meetings that brought together participants from industry as well as state and federal government agencies. The report was provided to Congress in December of 2019, and identified plant biostimulant definitions; plant biostimulants benefits; participants and process; the regulatory dilemma; current federal regulation; current state regulation; challenges with current oversight mechanisms and recommendations. Following the conclusion of this report, the Association of American Plant Food Control Officials (AAPFCO) began drafting

a model beneficial substances bill, that would address plant biostimulants and other beneficial substances. The AAPFCO membership moved to adopt the model bill in February of 2024, paving the way for states to begin adoption into regulation or rule.

Beneficial substances represent a new and growing industry. In 2018, USDA estimated it was at least a \$2.2 billion global market and expected to become a \$5 billion global market by 2025, driven by an increasing demand for sustainable agricultural practices and products. Establishing a comprehensive and uniform regulatory framework allows for new innovations to be brought to market while protecting consumers, safeguarding the environment, and ensuring a fair and equitable marketplace.

There are approximately 1533 soil conditioner products registered with NMDA and subject to inspection and the parameters proposed in the regulatory change under SB231. There are 101 products from the 1533 total that are produced in New Mexico.

If this new definition and approach are not put into place, there will continue to be challenges for industry to market these products in the state and continue to be misaligned regulations.

## **PERFORMANCE IMPLICATIONS**

N/A

## **ADMINISTRATIVE IMPLICATIONS**

N/A

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to SB214, which removes the definition of "soil conditioner" and all related references from specific sections of the Fertilizer Act. Similarly, SB231 eliminates the "soil conditioner" definition and strikes all mentions from the Fertilizer Act.

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

The National Association of State Department of Agriculture (NASDA) has adopted a policy in support of the AAPFCO model bill language. Some states have already adopted this universal approach and some have not. This bill will more closely align states' approach to regulating beneficial substances more uniformly.

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Beneficial substances will continue to be regulated under the soil conditioner definition in the New Mexico Fertilizer Act (76-11 NMSA). Challenges for industry with inconsistent regulation from state to state will continue to exist.

## **AMENDMENTS**

NMDA proposes an amendment to strike the definitions for “plant amendment”, “plant inoculant”, and “soil inoculant”. These terms are not used in the document and were meant to be removed before submission.