

LFC Requester:**Antonio Ortega****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}*

Date 3/7/2025 *Check all that apply:*
Prepared:
Bill SB 358 Original Correct
Number: _____ ion
 _____ Amend Substit **X**
 _____ ment ute _____

Sponsor: Carrie Hamblen **Agency Name and Code**
Number: NMDA - 199
Person Writing
Analysis: Jeff Witte
Short Title: Equine Shelter Resue & Welfare Trust Funds
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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	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Funds Affected
Total	N/A	40.0	40.0	80.0	Recurring	Equine Shelter Rescue Fund/ General Fund

(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:

The senate conservation committee substitute for senate bill 358 (SB 358) amends section 77-2-32 NMSA 1978 to move administration of the equine shelter rescue fund from the New Mexico livestock board (NMLB) to the New Mexico department of agriculture (NMDA). The purpose of the fund includes assisting equine rescue or retirement facilities in their provision of shelter, training, feed and pasture, veterinary care and adoption services to rescued equines.

NMDA shall disburse available funds annually to eligible applicants through contracts for services. SB 358 establishes detailed requirements related to the disbursement of funds:

- Content of applications to NMDA.
- Eligibility of facilities applying for funding.
- NMDA's annual reporting to the legislative finance committee, beginning in 2028.

SB 358 also creates the equine welfare trust fund (trust fund) in the state treasury. Money in the fund shall be invested by the state investment officer. Beginning in fiscal year 2027 (FY27), an annual distribution will be made from the trust fund to the equine shelter rescue fund. The distribution shall equal four percent of the three-year average year-end market value of the trust fund.

FISCAL IMPLICATIONS

NMDA estimates that the implementation of this new program will require the work of one-half full-time employee (0.5 FTE) at an estimated cost of forty thousand dollars (\$40,000.0) per year beginning in FY26 (see Administrative Implications for details).

NMDA would use five percent (5%) of the annual distribution from the equine shelter rescue fund to cover program administration expenses. Any remaining operating budget impacts would have to be absorbed by NMDA's agency budget from the general fund.

SB 358 does not contain an appropriation for the trust fund, although an associated appropriation may be added to house bill 2 (HB 2).

SIGNIFICANT ISSUES

While NMDA would take over responsibilities for administering the equine shelter rescue fund with the passage of SB 358, NMLB would retain regulatory responsibility for permitting, inspection and compliance of equine rescue or retirement facilities under Sections 77-2-31 & 77-2-32 NMSA 1978.

PERFORMANCE IMPLICATIONS

There would be no performance implications to existing NMDA programs.

ADMINISTRATIVE IMPLICATIONS

NMDA estimates that the implementation of this new program will require the work of 0.5 FTE, beginning in FY26. This will involve building subject-matter expertise, developing the program, creating the application, awarding and administering contracts, disbursing funding and meeting the annual reporting requirements. Development of the program will begin in FY26 in the lead up to awarding the first contracts in FY27. The administrative burden will vary depending on whether and how much funding is appropriated to the trust fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 358 relates to house bill 284 (HB 284), which amends the definition of an equine rescue or retirement facility under Section 77-2-30 NMSA 1978.

TECHNICAL ISSUES

There is an issue related to the calculation methodology for the first distribution from the trust fund to the equine shelter rescue fund in FY27. Per SB 358 section 2-B, the annual distribution is equal to four percent (4%) of the average of the trust fund's year-end market values for the immediately preceding three calendar years. Assuming that there is an FY26 appropriation to the trust fund in HB 2, there would only be two preceding calendar years (calendar years 2025 and 2026) at the start of FY27 on July 1, 2027. Thus, the trust fund's market value would not yet have a three-year average.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 358 is not enacted, the equine shelter rescue fund shall remain under the administration of NMLB. The equine welfare trust fund will not be established and funding for equine rescue or retirement facilities will remain dependent on tax checkoffs, grants and private donations.

AMENDMENTS

N/A