

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2015  
 LAST UPDATED 1/29/2015 HB 57

SPONSOR Trujillo, C.

SHORT TITLE Boll Weevil and Pink Bollworm Monitoring SB \_\_\_\_\_

ANALYST Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$200.0	\$200.0	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education, New Mexico Department of Agriculture

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

House Bill 57 appropriates \$200 thousand from the general fund to the New Mexico State University board of regents for the NMDA to perform monitoring services to assess the cotton boll weevil and pink bollworm situation statewide.

### FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, if this appropriation is included in Section 4 of the General Appropriation Act, the funds would be considered nonreverting pursuant to language in the bill.

NMDA reports that the \$200 thousand appropriation will help offset the continuing loss of federal funds for both the boll weevil and pink bollworm pest control programs. NMDA states that it would distribute available funds to historically-established eradication committees and foundations in the state.

**New Mexico Cotton Boll Weevil/Pink Bollworm Moth Control Districts**  
**Revenues**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Grower Assessments	\$415,000	\$294,000	\$283,000	(pending ginning reports)
Federal Cost Share*	\$79,200	\$96,000	\$96,000	\$0
Total	\$494,200	\$390,000	\$379,000	

\* Crop Year 2013 was the final year of federal assistance in NM.

Source: NMDA (Jan. 2015)

## **SIGNIFICANT ISSUES**

According to NMDA,

New Mexico's annual cotton production is valued from \$10 to \$18 million. The previous establishment of pink bollworm and boll weevil in New Mexico cotton fields had significantly reduced the profitability and ultimately the viability of cotton production in state. As part of a nationwide effort to eradicate pink bollworm and boll weevil, New Mexico cotton producers established regional committees and have worked towards and have successfully eradicated both species over a 14-year effort.

Eradication and pest species monitoring efforts have been funded through grower fees and with federal funding. The importance of cotton to the state remains [since] it is one of the few viable crop alternatives for limited irrigation areas. The reintroduction of either or both pests may cause a shift from cotton to other lower-value crops, and threaten the economic viability of cotton production in neighboring states, including Chihuahua.

Across all cotton-producing states, eradication and subsequent monitoring programs are administered and conducted by regional pink bollworm and boll weevil eradication committees comprised of cotton producers. If adequate funding for monitoring programs is not maintained, regional eradication committees may become insolvent resulting in the NNMDA expending resources to ensure monitoring programs are continued in accordance to federal guidelines.

## **CONFLICT**

The NMDA receives general fund appropriations in the General Appropriation Act, though no state funding is received for monitoring these efforts.

TH/bb/je/aml