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FISCAL IMPACT REPORT

SPONSOR Ingle **ORIGINAL DATE** 2/1/16 **LAST UPDATED** 2/5/16 **HB** _____
SHORT TITLE Right to Farm & Operations as Nuisance **SB** 72/aSCONC
ANALYST Malone

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY16 | FY17 | FY18 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| Total | | NFI | NFI | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
 Attorney General’s Office (AGO)

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to Senate Bill 72 includes new occupancy as well as new lease and rental within the new language limiting when action based upon nuisance is permissible.

Synopsis of Original Bill

Senate Bill 72 expands the exceptions to when an agricultural operation can be deemed a nuisance under Section 47-9-3 NMSA 1978. The bill adds a new section that disallows bringing action based upon nuisance by a person whose claim arose following the purchase, lease, or rental of property proximate to a previously established agricultural operation or agricultural facility. Exception is made when the previously established facility has substantially changed in the nature and scope of its operations.

FISCAL IMPLICATIONS

SB 72 does not present fiscal implications to the state.

SIGNIFICANT ISSUES

According to NMDA, across the United States, nuisance lawsuits are being filed based on the encroachment of urban presence adjacent to agriculture activities. In 2014, the agriculture industry contributed over \$4 billion dollars serving as a vital component of New Mexico's economy. The consequence of nuisance or negligent lawsuits have the potential to impair the state's agricultural industry and economy.

NMDA notes that SB 72 addresses the issues created by urban areas expanding into rural agricultural regions that are agriculturally productive. As the intermingling expands, agricultural operations continue to face new and additional scrutiny due to requirements of production as urban areas expand into rural areas.

CEM/jle