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FISCAL IMPACT REPORT

SPONSOR <u>Diamond Brantley/Woods/Hemphill</u>	LAST UPDATED _____ ORIGINAL DATE <u>1/19/24</u>
SHORT TITLE <u>Existing Livestock Compensation</u>	BILL NUMBER <u>Senate Bill 26</u>
	ANALYST <u>Jorgensen</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$9,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 164

Sources of Information

Agency Analysis Received From
 New Mexico Department of Agriculture (NMDA)
 Department of Game and Fish (DGF)

SUMMARY

Synopsis of Senate Bill 26

Senate Bill 26 (SB26) appropriates \$9 million from the general fund to the New Mexico Department of Agriculture housed at New Mexico State University for the purpose of augmenting funding to the existing livestock Mexican wolf compensation program. The funding is authorized for expenditure from FY25 through FY27 and any unexpended balance shall revert to the general fund.

SB26 stipulates that available federal funding must be spent prior to expenditure of state funding for the reimbursement of owners of livestock loss due to Mexican wolves. The bill also requires, prior to payment, NMDA make a determination of a confirmed or probable livestock loss by a qualified investigator, and set compensation rates at fair market values, as determined quarterly by New Mexico State University. SB26 requires NMDA to publish the quarterly-determined fair market values on its website and make information related to compensation payments publicly available.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$9 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

NMDA reports that enactment of SB26 will not lead to additional costs as this is a funding expansion of an existing program and would use existing staff to continue administering the program.

SIGNIFICANT ISSUES

NMDA reports:

Between 2017 and 2022, the United States fish and wildlife service determined that the minimum population of Mexican wolves in New Mexico and Arizona grew from 114 to 241, an increase of over 100 percent during the five-year period. This population growth has increased the economic impacts to livestock producers in southwestern New Mexico. In 2023, there were 103 confirmed and probable livestock depredations by Mexican wolves within the state. Aside from confirmed or probable depredations, local livestock producers also have experienced economic losses from undetected or unconfirmed depredations, reduction of livestock weights/reproductive rates, increased management costs, and other indirect damages.

Socorro, Sierra, and Catron counties formed the [county livestock loss authority] CLLA in 2022 to provide effective delivery of compensation for direct and indirect livestock losses due to Mexican wolves in New Mexico. The board of directors of the CLLA is comprised of one commissioner from each county, one local livestock producer, and one representative from a non-governmental organization. The CLLA receives, reviews, and administers compensation claims from individual livestock producers.

Through an existing agreement, NMDA will subaward state funds annually to the CLLA, to compensate livestock producers for direct damages caused by confirmed and probable wolf depredations. NMDA competes for federal grants that can only be used to compensate livestock producers for confirmed wolf depredations. These funds, if awarded to NMDA, are subawarded to the CLLA under a separate [memorandum of agreement] MOA, and will be expended first before compensation is paid for confirmed depredations from state funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 26 duplicates House Bill 164.

CJ/rl/ne/al