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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 243

**SHORT TITLE:** Equine Shelter Fund & Trust Fund

**SPONSOR:** Sanchez/Lujan/Romero/Borrego

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/2/2026 **ANALYST:** Hanika-Ortiz

### APPROPRIATION\* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$500.0	Nonrecurring	General Fund (to Equine Shelter Rescue Fund)
	\$5,000.0	Nonrecurring	General Fund (to proposed Equine Welfare Trust Fund)

\*Amounts reflect most recent analysis of this legislation.

### REVENUE\* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
Distributions from Trust Fund			\$207.0	\$214.0	\$219.0	Recurring	Equine Shelter Rescue Fund
Investment Earnings			\$400.0	\$400.0	\$400.0	Recurring	Equine Welfare Trust Fund

Parentheses indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

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

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>NMDA</b>	No fiscal impact	(\$40.0)	(\$40.0)	(\$80.0)	Recurring	General Fund
<b>NMDA (from admin fees)</b>	No fiscal impact	\$25.0	\$34.5	\$59.5	Recurring	Other state funds

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

## Sources of Information

LFC Files

Agency or Agencies Providing Analysis  
 New Mexico Department of Agriculture  
 New Mexico Livestock Board

New Mexico Department of Agriculture

## SUMMARY

### Synopsis of House Bill 243

House Bill 243 (HB243) makes two general fund appropriations: (1) \$500 thousand to the equine shelter rescue fund at the New Mexico Department of Agriculture (NMDA) and (2) \$5 million to a proposed “equine welfare trust fund” to be invested with the State Investment Council (SIC).

The bill amends the equine shelter rescue fund to cover licensed equine shelters that feed and care for surrendered, abandoned, or neglected equines at licensed shelters. The bill also adds new duties for NMDA to solicit contracts and make disbursements for eligible purposes. NMDA is allowed to collect costs for administering the purpose of the fund in an amount not to exceed 5 percent of annual distributions from the fund. To receive funding, shelters must be registered with NMDA, in compliance with New Mexico Livestock Board (NMLB) rules, be a tax-exempt organization pursuant to Section 501(C)(3), and not be “intentionally” breeding equines.

Section 2 of the bill creates the equine welfare trust fund that is to be managed and invested by the State Investment Council (SIC) in consultation with NMDA. Each fiscal year, the fund will make disbursements of 4 percent to shelters based on average fund balances.

Finally, the bill requires SIC report to the Legislature annually on fund performance, and NMDA report to the Legislature annual on how disbursements supported equine welfare.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

## FISCAL IMPLICATIONS

The two appropriations totaling \$5.5 million contained in this bill are nonrecurring expenses to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year from these two appropriations shall not revert to the general fund.

SIC reports, starting FY28, the trust fund will make annual distributions equal to 4 percent of the average of the prior three calendar-year end market values (or fewer years until three are available). These distributions would be transferred to the equine shelter rescue fund for shelter support.

Based on the initial appropriation, SIC projects the first distribution from the trust fund in FY28 at approximately \$200 thousand, with subsequent distributions increasing as the fund compounds. SIC analysis also reflects steady growth and rising distributions over the long term as compounding accumulates. After 10 years of distributions, SIC data estimates a trust fund balance in 2036 of approximately \$7.3 million—\$2.3 million more than the initial \$5 million appropriation.

The bill authorizes NMDA to use 5 percent of annual distributions from the equine shelter rescue fund for expenses. Departmental data suggests the 5 percent annual distribution will not cover all operating costs in the first two years, until distributions increase as the trust fund compounds.

NMDA estimates the administration of the program would require the work of one half-time employee (0.5 FTE) at an estimated cost of \$40 thousand per year.

This bill creates a new fund that provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

## **SIGNIFICANT ISSUES**

NMLB reports HB234 changes administration of the equine shelter rescue fund from the board to NMDA. However, for purposes of the Livestock Code and NMLB's statutory authority, horses and other equines (donkeys and mules) are treated as "livestock" and subject to the board's jurisdiction.

## **PERFORMANCE IMPLICATIONS**

SIC comments the Legislature has added 10 more funds for the council to manage since 2019, bringing the total number of investment funds the council directly oversees to 14.

## **ADMINISTRATIVE IMPLICATIONS**

NMDA reports NMLB would retain regulatory responsibility for permitting, inspection, and compliance of equine rescue and retirement facilities.

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