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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 143/aSFC

SHORT TITLE: Update Certain Agricultural Fees

SPONSOR: Woods/Boone/Wilson/Muñoz

LAST ORIGINAL
UPDATE: 2/7/26 **DATE:** 1/30/26 **ANALYST:** Jorgensen

REVENUE*
(dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
		\$351.9	\$81.5	\$83.9	\$86.5	Recurring	NMDA Operating

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Department of Agriculture

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 143 removes all the proposed fee increases, except for the fee on commercial feed, and allows the board of regents at New Mexico State University (NMSU) to impose increases up to the rate of inflation measured in the consumer price index for all urban consumers (CPI-U) through the end of fiscal year 2031. The fee for commercial feed would be raised from 15 cents per ton to 25 cents per ton and the fee could be increased up to the rate of inflation measured by CPI-U.

Synopsis of Original Bill

Senate Bill 143 (SB143) increases the fee limits that may be charged by the New Mexico Department of Agriculture (NMDA) relating to five regulatory programs: the Egg Grading Act, Pesticide Control Act, Plant Protection Act, Fertilizer Act, and Commercial Feed Act.

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

SB143 authorized NMDA to increase fees up to the rate of inflation from FY27 through FY31. Additionally, the bill authorizes a 66.7% increase in the fee for commercial animal feed. The feed increase combined with an assumed increase of 3 percent inflation would provide NMDA an additional \$351 thousand in revenue in FY27. In the second year, the same assumed 3 percent inflation increase would generate an additional \$81.5 thousand over FY27, as shown in the revenue table. The overall revenue increase for the New Mexico Department of Agriculture is estimated to be \$692 thousand by FY31.

The table below shows the revenues associated with the fees affected by SB143. The potential new revenue by 2031 column assumes annual increases of 3 percent and the total new revenue, FY27-FY31 shows the difference between the current revenue and the potential revenue.

Summary of Changes to Fee Caps and Potential Revenue				
Act	Proposed Fee Change	Current Revenue	Potential Revenue by 2031	Total New Revenue, FY27-FY31
Egg Grading Act	(inspection \$.005/ 12 eggs to \$.20/ 360 eggs sold)	168,915	195,819	26,904
Egg Grading Act	(certification small dealer \$10 to \$20)	420	487	67
Egg Grading Act	(certification medium egg dealer \$25 to \$50)	100	116	16
Egg Grading Act	(certification large egg dealer (\$50 to \$100)	1,500	1,739	239
Pesticide Act	(Product registration \$150 to \$200/brand)	1,400,000	1,622,984	222,984
Pesticide Act	(dealer license \$100 to \$150/location)	11,625	13,477	1,852
Pesticide Act	(consultant \$100 to \$150/license)	6,750	7,825	1,075
Pesticide Act	(commercial applicator \$100 to \$150/license)	65,100	75,469	10,369
Pesticide Act	(operator appl. \$75 to \$100/license)	90,000	104,335	14,335
Pesticide Act	(non-commercial appl. \$100 to \$150/license)	8,100	9,390	1,290
Pesticide Act	(private appl. \$25 to \$35/license)	3,000	3,478	478
Pesticide Act	(equip. inspection \$25 to \$35)	75	87	12
Pesticide Act	(examination fee \$20 to \$25/license)	50	58	8
Plant Protection Act	(nursery inspection \$75 to \$100 + \$2 to \$3/acre)	16,093	18,656	2,563
Plant Protection Act	(vegetable nursery inspection \$25 to \$35)	425	493	68
Plant Protection Act	(floral, nursery, landscaper license (\$75 to \$100)	71,700	83,120	11,420
Plant Protection Act	(vegetable or cactus dealer \$25 to \$35)	425	493	68
Plant Protection Act	(collected plants \$75 to \$100)	3,225	3,739	514
Fertilizer Act	(registration \$5.00 to \$50.00/brand)	38,110	44,180	6,070
Fertilizer Act	(inspection for > 5 lb lots \$.35 to \$.90/brand ton)	69,800	80,917	11,117
Commercial Feed Act	(inspection \$.15 to \$.45/ton)	409,000	790,397	381,397
Total		2,364,413	3,057,256	692,843

SIGNIFICANT ISSUES

NMDA reports the following:

Many of the statutory fee limits amended by SB143 have remained unchanged for 45 to 50 years. Since that time, the cost of regulatory oversight, inspections, laboratory analysis, technology, and the complexity of investigations has increased significantly. Current fee caps constrain NMDA's ability to fully recover program costs and meet statutory obligations.

By modernizing fee limits, SB143 would improve NMDA's capacity to carry out mandated regulatory functions. Anticipated outcomes include improved access to

resources and technology, enabling faster response times and more effective investigations of consumer complaints, while also strengthening food safety and security, environmental protection, and public health.

CJ/ct/dw/ct/sgs