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FISCAL IMPACT REPORT

SPONSOR <u>Pirtle</u>	LAST UPDATED _____ ORIGINAL DATE <u>1/24/2024</u>
SHORT TITLE <u>State Meat Inspection Program</u>	BILL NUMBER <u>Senate Bill 51/ec</u>
ANALYST <u>Sanchez</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
New Mexico Livestock Board	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
NMED Operating Budget	Indeterminate but minimal	Up to \$161.4	Up to \$107.6	Up to \$269.0	Recurring	General Fund
Total	Indeterminate but minimal	At least \$161.4	At least \$107.6	At least \$269.0	Recurring	General Fund

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

Conflicts with Senate Bill 37

Sources of Information

LFC Files

Agency Analysis Received From
 New Mexico Livestock Board (NMLB)
 Department of Environment (NMED)
 New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Senate Bill 51

Senate Bill 51 directs the regents of New Mexico State University, through the New Mexico Livestock Board, to develop and administer a state meat inspection program to ensure food safety standards meet or exceed the standards and requirements of the federal Meat Inspection Act.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

The Environment Department’s analysis concluded the expanded oversight responsibilities included in this bill lacked adequate funding. The agency’s analysis expressed concerns about

the potential impact on its current workforce and explained the agency would require 1.5 FTE in inspector and attorney roles to provide the required support to NMLB, perform inspections, and respond to cases requiring investigation and enforcement, and administrative support for those FTE. NMED estimates that expense at \$161.4 thousand in FY25. Once NMLB and the agencies establish authority to address jurisdictional questions, projected to happen by the end of FY25, this would decline to 1 FTE in FY26 and subsequent years, with an estimated expense of \$107.6 thousand.

SIGNIFICANT ISSUES

The federal government maintains preemption over all meat and poultry inspections nationwide. However, the federal government has granted the U.S. Department of Agriculture's Food Safety Inspection Service (FSIS) authority to grant states the ability to create their own program. The requirements of a state-led meat and poultry inspection program are that it must be as rigorous as the federal program and must be certified by FSIS.

The analysis provided by the New Mexico Department of Agriculture (NMDA) noted SB51 does not specify the source of the required statutory authorities for a state Meat and Poultry Inspection (MPI) program, focusing instead on rulemaking. In contrast, SB37 outlines the necessary state statutory authority as mandated by the USDA Food Safety and Inspection Service (FSIS) for New Mexico to establish an approved MPI program. This includes elements such as definitions, inspection requirements, standards for humane slaughter, and regulations against adulteration and misbranding, mirroring statutes repealed after the dissolution of a previous MPI program in 2007.

NMDA further explained FSIS, which holds federal preemption over all meat and poultry inspections in the U.S., requires state MPI programs to be "At least equal to" their own. This involves these components: statutory authority, inspection processes, product sampling, and staffing. The New Mexico Livestock Board (NMLB) is already authorized under various statutes to oversee and implement a state meat inspection program, including rule promulgation and ownership verification. NMLB has received funding and collaborated with various state departments and agricultural producers to lay the groundwork for the MPI program. Significant progress has been made toward achieving FSIS certification, eventually granting the state program primacy over federal inspections. The NMLB's current employment of animal health veterinarians is crucial to establishing a fully functional MPI program.

Analysis provided by the Environment Department (NMED) states:

SB51 does not provide funding to NMED to address issues related to water potability or sewerage systems for establishments that will be under the NMLB meat inspection program. Currently, NMED's food rule, 7.6.2 NMAC, does not address food safety standards for slaughter facilities.... NMED, through its food rule, 7.6.2 NMAC, requires a food manufacturer permit issued by the department for facilities producing a food product containing meat. SB51 gives the authority to the NMLB to inspect and permit food establishments to process meat products....Based on the definition of official establishment in SB51, NMLB, and NMED will need to work to establish clear jurisdictional roles of both agencies regarding the further processing or manufacturing of meat products.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 51 conflicts with Senate Bill 37, which outlines the necessary state statutory authority mandated by the USDA Food Safety and Inspection Service (FSIS) for New Mexico to establish an approved MPI program.

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