

<b>LFC Requester:</b>	<b>Noah Montano</b>
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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
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**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date** 1/30/2026 *Check all that apply:*  
**Prepared:** \_\_\_\_\_  
**Bill** HB 243 Original  Correction   
**Number:** \_\_\_\_\_ Amendment  Substitute

**Spons or:** Joseph L. Sanchez, Tara L. Lujan, G. Andrés Romero, and Cynthia Borrego  
**Agency Name and Code Number:** NMDA - 199  
**Person Writing Analysis:** Jeff Witte  
**Short Title:** Equine Shelter Fund & Trust Fund  
**Phone:** 575-294-3817 **Email:** Jheitz@nmda.nm.su.edu

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$5,000.0	\$0.0	Nonrecurring	General Fund (to Equine Welfare Trust Fund)
\$0.0	\$500.0	Recurring	General Fund (to Equine Shelter Rescue Fund)

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$0.0	\$207.5	Recurring	Equine Welfare Trust Fund (to Equine Shelter Rescue Fund)

(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Agency Costs</b>	(\$40.0)	(\$40.0)	(\$40.0)	(\$120.0)	Recurring	General Fund
<b>Admin. Fee</b>	\$0.0	\$25.0	\$34.5	\$59.5	Recurring	Equine Shelter Rescue Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

House bill 243 (HB 243) amends section 77-2-32 NMSA 1978 to move administration of the equine shelter rescue fund (rescue fund) from the New Mexico livestock board (NMLB) to the New Mexico department of agriculture (NMDA). The purpose of the rescue fund includes assisting equine rescue or retirement facilities in their provision of shelter, training, feed and pasture, veterinary care and adoption services to rescued equines.

NMDA shall disburse available funds annually to eligible applicants through contracts for services. HB 243 establishes detailed requirements related to the disbursement of funds:

- Content of applications to NMDA.
- Eligibility of facilities applying for funding.
- NMDA's annual reporting requirements to the legislative finance committee (LFC), beginning on October 1, 2028.

HB 243 also creates the equine welfare trust fund (trust fund) in the state treasury. Money in the fund shall be invested by the state investment officer in accordance with the prudent investor rule and consultation with the director of NMDA. The state investment officer shall report quarterly to the LFC and the state investment council and annually to relevant interim committees. Beginning on July 1, 2027 for FY28, an annual distribution will be made from the trust fund to the equine shelter rescue fund. The distribution shall equal four percent of the three-year average year-end market value of the trust fund or, for the first two years, the year-end average value for the years the trust fund has existed.

HB 243 transfers five million dollars (\$5,000.0) from the general fund to the trust fund and establishes a recurring appropriation of five hundred thousand dollars (\$500.0) from the general fund to the rescue fund.

#### **FISCAL IMPLICATIONS**

HB 243 transfers five million dollars (\$5,000.0) from the general fund to the trust fund and establishes a recurring appropriation of five hundred thousand dollars (\$500.0) from the general fund to the rescue fund, starting in FY27. Distributions from the trust fund to rescue fund begin in FY28.

NMDA estimates the following fund balances and program budgets for the next three fiscal years:

	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
<b>Trust Fund Starting Balance*</b>	<b>\$ 5,000.0</b>	<b>\$ 5,375.0</b>	<b>\$ 5,555.1</b>
Distribution (4%)*	---	\$ 207.5	\$ 211.2
Appropriation	\$ 500.0	\$ 500.0	\$ 500.0

<b>Rescue Fund**</b>	<b>\$ 500.0</b>	<b>\$ 707.5</b>	<b>\$ 711.2</b>
NMDA Admin. (5%)	\$ 25.0	\$ 35.4	\$ 35.6
Program Budget	\$ 475.0	\$ 672.1	\$ 678.8

\* Assumes average 7.5% annual growth & equal rate of growth

\*\* Assumes program funds are fully expended each FY with no carryover balance

As authorized in section 1 of HB 243, NMDA would use up to five percent (5%) of the annual distribution from the equine shelter rescue fund to cover program administration expenses. NMDA estimates this to be approximately twenty-five thousand dollars in FY27 and thirty-five thousand dollars (\$35.0) in subsequent fiscal years. Any remaining operating budget impacts would have to be absorbed by NMDA's agency budget from the general fund.

NMDA estimates that the implementation of this new program will require the work of one-half full-time employee (0.5 FTE) at an estimated cost of forty thousand dollars (\$40.0) per year beginning in FY26 (see Administrative Implications for details).

### **SIGNIFICANT ISSUES**

While NMDA would take over responsibilities for administering the equine shelter rescue fund with the passage of HB 243, NMLB would retain regulatory responsibility for permitting, inspection and compliance of equine rescue or retirement facilities under Sections 77-2-31 & 77-2-32 NMSA 1978.

### **PERFORMANCE IMPLICATIONS**

There would be no performance implications to current NMDA programs.

### **ADMINISTRATIVE IMPLICATIONS**

NMDA estimates that the implementation of this new program will require the work of 0.5 FTE, beginning in FY27. This will involve building subject-matter expertise, developing the program, creating the application, awarding and administering contracts, disbursing funds, and meeting the annual reporting requirements. Development of the program will begin in FY26 in the lead up to awarding the first contracts in FY27.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

### **TECHNICAL ISSUES**

N/A

### **OTHER SUBSTANTIVE ISSUES**

N/A

### **ALTERNATIVES**

N/A

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If HB 243 is not enacted, the equine shelter rescue fund shall remain under the administration of NMLB. The equine welfare trust fund will not be established and funded. There will be no new appropriations for equine rescue and retirement facilities.

## **AMENDMENTS**

N/A