

LFC Requester: _____

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 2/1/2026 *Check all that apply:*
Bill Number: S196 Original Correction
 Amendment Substitute

Sponsor: Sen. Campos **Agency Name and Code Number:** DFA-341
Short Title: LAS VEGAS ANIMAL CARE CENTER PROGRAMS **Person Writing Analysis:** George Hypolite
Phone: (505) 490-2840 **Email:** george.hypolite@dfa.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$2,500		NR	

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$52.5	\$52.5		\$105	NR	GF

(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:

Senate Bill 196 (SB196) aims to enhance animal welfare services and improve the Las Vegas Animal Care Center's infrastructure.

- Contract for Services: Support spay and neuter programs and provide veterinary care at the Las Vegas Animal Care Center.
- Facility Improvements: Make necessary upgrades and improvements to the Las Vegas Animal Care Center.
- SB196 specifies that the funds are allocated for expenditure in fiscal year 2027.
- Any unspent funds remaining at the end of fiscal year 2027 will revert to the general fund.

FISCAL IMPLICATIONS

Generally, SB196's fiscal implications will depend primarily on the effective use of funds and the programs' success in achieving their intended goals.

- Appropriation: SB196 appropriates \$2,500,000 from the general fund, which could impact the state's budget for fiscal year 2027. This amount will be directed toward spay and neuter programs, veterinary care, and facility improvements at the Las Vegas Animal Care Center.
 - Any unexpended balance at the end of fiscal year 2027 will revert to the general fund, ensuring that unused funds are returned to the state budget.
- Economic Impact: Improvements to the Las Vegas Animal Care Center may create temporary jobs during construction and upgrades, as well as support local veterinary services through contracted programs.
- Administrative Costs: SB196 is a direct appropriation to the Local Government Division of DFA for services benefiting a specific local facility.
 - DFA must carefully structure contracts to maintain compliance with state procurement requirements and constitutional constraints, including ensuring funds are expended for public purposes and through appropriate governmental or contracted service mechanisms. The fixed FY27 timeframe elevates execution risk, making early planning and clear scopes of work essential to avoid reversion of funds.

- DFA must assume responsibility as the fiscal intermediary and contract administrator for SB196's targeted appropriation. DFA anticipates this work to take approximately 350 work hours (\$52,500 [\$150 per]) in FY26 and FY27. DFA believes it can absorb these costs within its existing operating budget.
 - Implementation would require LGD to establish and manage contracts for veterinary services and capital improvements, ensuring expenditures align strictly with legislative intent and occur within the single-year appropriation window.
 - This includes confirming eligible uses, monitoring performance deliverables, processing payments, and enforcing reversion requirements.

SIGNIFICANT ISSUES

- One fiscal year is likely not enough time for the local entity to enter into vendor contracts and complete facility improvements.
- Potential Conflict with Animal Welfare Program: § 77-1-21, NMSA 1978, was created by the legislature to provide funding for projects that support the welfare of domestic cats and dogs.
 - Under the program, DFA awards competitive grants to municipalities, counties, indigenous nations, tribes, or pueblos, or other eligible entities, for projects that repair, renovate, or operate an animal shelter, provided that a grant to repair or renovate shall only be for publicly owned facilities, and to purchase equipment and supplies, or provide services.
 - SB196 provides a \$2,500,000 appropriation directly to the Las Vegas Animal Care Center to spay and neuter programs, provide veterinary care, and make upgrades and improvements at the Las Vegas Animal Care Center, outside of the process and rules established by § 77-1-21, NMSA.
 - To ensure fairness and consistency in the administration and distribution of animal welfare funds throughout the state, DFA would recommend the appropriation be sent to the Animal Welfare Program Fund, and the City of Las Vegas submit a competitive grant proposal in accordance with § 77-1-21, NMSA 1978 to access the funds.

PERFORMANCE IMPLICATIONS

SB196 could lead to better animal welfare, improved community outcomes, and responsible use of state funds in the City of Las Vegas.

- Improved Animal Care Services: The \$2.5 million appropriation will enable the City of Las Vegas Animal Care Center to enhance its spay and neuter programs and provide improved veterinary care.

- This could lead to improved health outcomes for animals and help control the population of stray animals in the community.
- Community Benefits: By addressing animal overpopulation and improving care in the City of Las Vegas, SB196 could benefit the local community by reducing stray animal issues and promoting public health and safety.

ADMINISTRATIVE IMPLICATIONS

SB196 creates administrative tasks that could increase the workload for DFA and require careful planning and execution to meet the SB196's objectives.

- Contract Management: DFA will need to manage contracts for spay and neuter programs, veterinary care, and facility improvements. This will require additional administrative oversight and resources outside of the existing animal welfare program.
 - Coordination with the Las Vegas Animal Care Center: Effective collaboration between DFA and the City of Las Vegas, with respect to budgetary allocation, project procurement, project timelines, and reporting, will be necessary to implement the programs and improvements outlined in SB196.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

- § 77-1-21, NMSA Competitive Grant Workaround: SB196 could be viewed as an attempt to circumvent the competitive grant requirements of § 77-1-21, NMSA 1978. To the extent the legislature desires to earmark funds for specific animal-welfare programs, DFA recommends amending § 77-1-21, NMSA 1978, to remove the competitive-grant requirement for the distribution of funds.
 - This would streamline the funding process and eliminate the need for duplicative bills by placing all animal welfare program funds in HB2 Section 5, with specific earmarks for legislative priorities and the remaining balance distributed through competitive grant proposals.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A.

AMENDMENTS

N/A.