

LFC Requester: _____

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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: S197 Original Correction
 Amendment Substitute

Sponsor: Sen. Campos **Agency Name and Code Number:** DFA-341
Short Title: RATON ANIMAL SHELTER SERVICES **Person Writing Analysis:** George Hypolite
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

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

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 197 (SB197) proposes an appropriation of \$2,500,000 from the general fund. The funds are designated for the Department of Finance and Administration's local government division for use in fiscal year 2027.

- The purpose of the appropriation is to:
 - Contract services for spay and neuter programs.
 - Provide veterinary care at the Raton Animal Shelter.
 - Make improvements to the Raton Animal Shelter.
- Any funds remaining unexpended at the end of fiscal year 2027 will revert to the general fund.

FISCAL IMPLICATIONS

Generally, SB197's fiscal implications will depend primarily on the effective use of funds and the programs' success in achieving their intended goals.

- Appropriation: SB197 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 Raton Animal Shelter.
 - 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 Raton Animal Shelter may create temporary jobs during construction and upgrades, as well as support local veterinary services through contracted programs.
- Administrative Costs: SB197 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 SB197'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

- 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.
 - SB197 provides a \$2,500,000 appropriation directly to the Raton Animal Shelter to spay and neuter programs, provide veterinary care, and make upgrades and improvements at the Raton Animal Shelter, outside of the process and rules established by § 77-1-21, NMSA 1978.
 - To ensure fairness and consistency in the administration and distribution of animal welfare funds throughout the state, DFA would recommend that the appropriation be sent to the Animal Welfare Program Fund, and the Raton Animal Shelter submit a competitive grant proposal in accordance with § 77-1-21, NMSA 1978 to access the funds.

PERFORMANCE IMPLICATIONS

SB197 could lead to better animal welfare, improved community outcomes, and responsible use of state funds in the City of Raton.

- Improved Animal Care Services: The \$2.5 million appropriation will enable the Raton Animal Shelter 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 Raton, SB197 could benefit the local community by reducing stray animal issues and promoting public health and safety.

ADMINISTRATIVE IMPLICATIONS

SB197 creates administrative tasks that could increase DFA's workload and require careful planning and execution to meet its 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 Raton Animal Shelter:** Effective collaboration between DFA and the City of Raton, with respect to budgetary allocation, project procurement, project timelines, and reporting, will be necessary to implement the programs and improvements outlined in SB197.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

- **§ 77-1-21, NMSA Competitive Grant Workaround:** SB197 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.

