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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/08

SPONSOR Irwin LAST UPDATED _____ HM 50

SHORT TITLE Border Fencing to Prevent Livestock Ingress SM _____

ANALYST Escudero

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|------|-------------------------|------------------|
| FY08 | FY09 | | |
| | NFI | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicate To: SM50

SOURCES OF INFORMATION

LFC Files

Responses Received From

NMSU – Department of Agriculture (NMSU)

NM Livestock Board (NMLB)

Homeland Security (HSEMD)

SUMMARY

Synopsis of Bill

House Memorial 50 is a request to take all necessary steps to ensure barriers and fencing to restrain livestock on the US/Mexico border, and to enlist the participation of all relevant agencies.

FISCAL IMPLICATIONS

As stated by NMLB:

COST: Fencing sufficient to restrict cross-border livestock movement can be expected to cost in excess of \$5,000 per mile. Approximately 180 miles of border may be subject to such fencing. There is little to study, other than making sure the fence is actually on the border. Planning and procurement may take as long as 6 months. Construction, if a proper contract is in place, may take an additional 9 to 12 months. (\$5,000 x 180 = \$900,000)

According to NMSU, as an international border issue any fencing costs incurred would likely be the responsibility of the federal government. Costs incurred by the state would likely require additional funding.

SIGNIFICANT ISSUES

According to NMLB, this problem has recently arisen because of federal homeland security agencies removing existing fences and replacing them with insufficient barriers that have little to no effect on restraining movement of livestock across international lines.

Any unauthorized livestock crossing into the state from Mexico increase the risk of livestock-borne diseases being spread among domestic herds. Such diseases can include but are not limited to Bovine Tuberculosis, Brucellosis, Trichomoniasis, and numerous parasite transmitted diseases such as Texas Fever which, ironically, was a primary reason for creation of this agency 120 years ago. These diseases are economically debilitating to the industry in New Mexico and, because of federal requirements, can cause loss of animal health status by the state, affecting every livestock producer in New Mexico. The adverse effect on a key economic segment is obvious and significant.

In addition to animal health concerns, any domestic livestock that wander into Mexico become unreachable by either the New Mexico owners or the New Mexico authorities. The potential for loss by theft of livestock is more of a certainty than a probability. Also, the same disease exposure problem exists.

According to NMSU, Establishing and maintaining adequate fencing and/or barriers to prevent unauthorized livestock movement across the international border is critical to minimize the risk of livestock borne diseases becoming established in New Mexico.

- Detection of some animal diseases can initiate federal quarantine and/or restrictive movement status on the state as a whole rather than only impacting a single animal or isolated herd. As an example, a recent multimillion dollar initiative was undertaken to eradicate bovine tuberculosis in an isolated area of the state in order to prevent restrictive federal requirement upon the entire state.
- The livestock industry accounts for approximately \$2 billion in cash receipts in the state annually. Taking steps to ensure adequate fencing is a preventive measure to help protect the economic viability of this industry. HM 50 stresses the complicated nature of issues along the border and emphasizes the necessity of a cooperative unified approach between state and federal agencies. Additional ramifications include livestock theft and potentially human health implications.

PERFORMANCE IMPLICATIONS

According to NMLB, any livestock wandering into New Mexico from Mexico must be estrayed and disposed of under Livestock Board laws and policies. NMLB would have to impound or confine livestock until proper origin and ownership is verified if that is even possible

ADMINISTRATIVE IMPLICATIONS

According to NMLB, proper fences and barriers would help mitigate the situation. Assurance of proper fencing and barriers is not a responsibility of the New Mexico Livestock Board under its existing statutes; therefore, any initiative taken by the agency would require additional resources and authorization. At the minimum, 2 FTEs, plus vehicles and other equipment may be necessary to patrol fence lines, or to examine, assess and ensure barriers and to their functionality and effectiveness. This does not take into account the cost of construction, which, again, is not a responsibility of the New Mexico Livestock Board. The matter is further complicated by federal jurisdictional issues along the international border, as well as real and increasing danger due to illicit trafficking of drugs and people in the area.

TECHNICAL ISSUES

As stated by NMLB, because such fences would become part of the international border, there is some question as to whether they would be expected to come under federal responsibility, therefore considered federal property and maintained as such.

The federal entities do not understand the type of construction and other requirements necessary for restraint of livestock, nor do they understand the implications of livestock movement across the border when those fences do not exist.

OTHER SUBSTANTIVE ISSUES

As stated by NMLB, a cooperative effort among all relevant local, state and federal agencies must take into consideration relative jurisdictions, resource availability, commonality of purpose and mission, existing laws, regulations, international agreements, impacts on affected ranchers and farmers, and willingness to work together.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate To: SM50

ALTERNATIVES

As stated by NMLB, good fences make good neighbors. This principal extends to nations as well. There are no alternatives to effective barriers to unrestrained movement of livestock across the border. The only reasonable alternative to a Memorial would be actual funding of a project

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

As stated by NMLB, attention will not be given to the critical need for control of livestock movement along the border. As a result, the likelihood of economic damage is high, and the compromise of agricultural safety and security remains likely. Unfettered ingress and egress of livestock increases the risk of disease as well as loss due to theft. These problems portend economic impacts upon the entire state.