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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/11

SPONSOR Wallace LAST UPDATED \_\_\_\_\_ HB 234/aHAGC

SHORT TITLE Animal Sheltering Board Sunset SB \_\_\_\_\_

ANALYST Sanchez, C.

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$3.0	\$3.0	Recurring	Animal Sheltering Fund

(Parenthesis ( ) Indicate Revenue Decreases)

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

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>			\$70.0	\$70.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Attorney General's Office (AGO)

Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of HAGC Amendment

The House Agricultural and Water Committee's amendment to House Bill 234 extends the Sunset Dates of the Animal Sheltering Board from 2012 to 2014.

Synopsis of Original Bill

House Bill 234 extends the sunset date of the Animal Sheltering Board from 2012 to 2018.

**FISCAL IMPLICATIONS**

The Animal Sheltering Board is completely funded with general fund. The low number of licenses and fees do not provide enough revenue to consistently meet operational requirements. Revenue is generated by fees for applications for technician licensure (\$50), agency licensure (\$200), euthanasia instructor certification (\$150), and renewals (\$30-\$200). Other revenues are generated through penalties and other services (\$15-\$50). According to the Animal Sheltering Board, all fees were established to help supplement the general fund contribution without causing financial hardship for euthanasia agencies that are underfunded by cities and counties, and technicians that are paid low wages.

FY12 and FY13 revenue figures are estimated based on an average of the revenue that was generated for the past three years since the board renews every three years. The board will need to seek alternatives to generate funds, because funds from the general fund have been reduced by the Legislature in HB 2.

**SIGNIFICANT ISSUES**

The purpose of the Animal Sheltering Board is to protect the public from the unprofessional, improper, incompetent and unlawful practice of the use of euthanasia services, it is necessary to provide laws and regulations to govern the handling and use of euthanasia related to animals.

According to the Regulation and Licensing Department (RLD), the extension of the Animal Sheltering Board will allow the profession to utilize the time to figure out how funds could be generated to sustain the boards until the termination date.

According to RLD, on average 90,000 unwanted animals are euthanized in New Mexico animal shelters each year. The Animal Sheltering Board is the only public agency responsible for maintaining humane euthanasia standards and developing standards of operation to promote safe, healthy and clean living conditions for animals housed in shelters.

**PERFORMANCE IMPLICATIONS**

Only individuals who meet and maintain minimum standards of competence and conduct may engage in the practice of these professions. In order to meet the goals of these Acts, RLD Boards and Commissions has high performance standards for its employees, most notably including excellent customer service for licensees and members of the public.

**ADMINISTRATIVE IMPLICATIONS**

Should the Animal Sheltering Board not be continued, administrative duties for the maintenance of the board would cease.

**COMPANIONSHIP**

HB 211, HB 107, and HB 106

**OTHER SUBSTANTIVE ISSUES**

According to RLD, the Animal Sheltering Board is in a difficult situation, in that it is regulating nonprofit or government agencies that for the most part do not have a profit margin that can be readily used to support the cost of running the Animal Sheltering Board and its staff. According to RLD, this board has no capacity to fund itself. In fact, this year RLD drafted proposed rules to raise the fee to the maximum allowed by statute; however, shelters came to the rule hearing and convinced members to keep the current fee structure. Shelters operate on minimal funding and thus the fee increase would have impacted the services they provide for stray animals. Last year, the board slightly raised fees and has plans to open the rules again and change the 3 year renewal to annual renewal. This should help some, but the Board continues to rely on general fund.

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

The Animal Sheltering Board would sunset July 1, 2011 and terminate June 30, 2012. Their oversight would either cease, or would need to be reassigned elsewhere.

CS/mew:svb