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## FISCAL IMPACT REPORT

SPONSOR Small ORIGINAL DATE 2/15/19  
LAST UPDATED \_\_\_\_\_ HB 571

SHORT TITLE Study Meat Inspection Program SB \_\_\_\_\_

ANALYST Fischer

### APPROPRIATION (dollars in thousands)

| Appropriation |         | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|---------|------------------------------|------------------|
| FY19          | FY20    |                              |                  |
|               | \$100.0 | Nonrecurring                 | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

U.S. Department of Agriculture

#### Responses Received From

New Mexico Livestock Board (NMLB)

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 571 appropriates \$100 thousand from the general fund to the Board of Regents of New Mexico State University to study the development and implementation of a state meat inspection program.

### FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a nonrecurring expense to the general fund. HB571 contains reversion language, where unexpended balances from the appropriation revert to the general fund. Higher education institutions do not revert unexpended balances to the general fund.

HED stated that New Mexico State University did not submit this request to HED for possible incorporation into the department's higher education funding recommendation.

## **SIGNIFICANT ISSUES**

NMLB stated that the development of a New Mexico state meat inspection program had been requested by numerous ranchers and retail stores.

The 1967 Federal Meat Inspection Act and the 1968 Poultry Products Inspection Act established the state-federal cooperative inspection program for slaughterhouses and meat processors. Under this federal-state cooperative program, the U.S. Department of Agriculture (USDA), provides 50 percent of the funds for the inspection program and the states ensure their inspection standards are “at least equal to” those of the federal inspection program. Federal law further limits meat products receiving state inspection to distribution solely within that state. Twenty-seven states have meat inspection programs covering nearly 1,900 small or very small meat processors.

Before 2007, the New Mexico Livestock Board ran a state meat inspection program. Through a series of reviews in 2006, USDA found “repetitive noncompliance” with New Mexico’s state meat inspection program, stating that the state program had “chronic and systemic food safety problems” that had not been corrected (<http://tinyurl.com/yvt92zsa>). As a result, in August 2007 New Mexico ceded its meat inspection responsibilities to the USDA and has not had a New Mexico meat inspection program since.

## **TECHNICAL ISSUES**

NMLB suggests that line 21 be amended to read: *to study the feasibility and benefits of the development and implementation of a state meat*

MF/al