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FISCAL IMPACT REPORT

SPONSOR Candelaria ORIGINAL DATE 02/19/19
 LAST UPDATED 03/01/19 HB _____

SHORT TITLE Animal Care and Facility Fund SB 541/aSPAC

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$31.5	Nonrecurring	General Fund
	\$598.5	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Board of Veterinary Medicine (BVM)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee Amendment to Senate Bill 541 clarifies the appropriation to carry out the act goes into the statewide spay and neuter subaccount of the animal care and facility fund.

Synopsis of Original Bill

Senate Bill 541 provides for two appropriations from the general fund to support low-cost spay and neutering services statewide. The first, appropriates \$31.5 thousand to the BVM for expenditure in FY20 for additional operating costs related to managing the animal care and facility fund. The second, appropriates \$598.5 thousand to the animal care and facility fund for FY20 and subsequent fiscal years for the BVM to carry out the purposes of the Animal Sheltering Act.

FISCAL IMPLICATIONS

According to BVM, the one-time appropriation of \$31.5 thousand is less than one-half the

amount required to hire the 1 additional FTE required to manage the animal care and facility fund.

Section 77-1B-4 NMSA 1978 created the animal care and facility fund to receive money appropriated to the fund or accruing to it through fees and administrative penalties, grants, donations, or other sources, to cover expenditures related to carrying out the Animal Sheltering Act. Money in the fund is subject to appropriation by the legislature. Each fiscal year, an amount of money in the fund equal to the total amount of money credited to the fund for that fiscal year from special registration plates issued pursuant to Section 66-3-424.3 NMSA 1978, is distributed to county spay and neuter programs based on the number of plates issued in that county. Unexpended balances in the fund at the end of each fiscal year do not revert to the general fund.

For FY20, BVM requested a budget increase of \$79.9 thousand from fees and fund balances, to cover costs of performing duties of the Animal Sheltering Board (ASB) which merged with the BVM in July 2018, and additional board expenses from expanding to six members in October 2018. Since the merger, the board approved a pay increase for the director to cover expanded duties that included overseeing enforcement of recommended minimum standards for animal shelters and ensuring that license plate and donation revenue get distributed to qualifying animal shelters.

On November 5, 2018, the Department of Finance and Administration reported that the Regulation and Licensing Department transferred \$119.5 thousand of distributions and \$91 thousand in fund balances to the BVM, pursuant to statutory changes made in the 2017 Legislative Session that transferred the Animal Shelter Board to BVM. See Laws 2017, Chapter 44 Section 15.

SIGNIFICANT ISSUES

A 2012 study (SM36, 2011 regular session) on a statewide spay and neuter program found that ASB, prior to its merger with the BVM in 2018, lacked funding to address animal shelter overpopulation. The study reported in 2011, animal shelters and euthanasia agencies took in 118 thousand cats and dogs and 55 thousand were euthanized. This cost the state \$27 million annually at the time (the total budget for shelters and euthanasia agencies). Existing law authorizes a pet care special registration license plate and an income tax refund check-off for ASB's spay and neuter program, but neither source has provided sufficient monies to adequately fund that program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB541 relates to SB367 to create a new fee in the Commercial Feed Act expected to raise about \$630 thousand in 2020 to support a statewide spay and neuter program for low income persons.

QUESTIONS

On average, how much is distributed each year to shelters pursuant to the Animal Sheltering Act?

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

BVM will carry out new duties under the Animal Sheltering Act with existing staff and resources.

AHO/sb