

LFC Requester:

AGENCY BILL ANALYSIS  
2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO  
[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
(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}

Check all that apply:

Original ☐ Amendment ☐  
Correction ☒ Substitute ☐

Date Prepared 1/17/2025

Bill Number: HOUSE BILL 113

Sponsor: Lujan;  
Short ANIMAL WELFARE  
Title: PROGRAM AND TRUST

Agency Name  
and Code DFA-341  
Number:

Person Writing Bianca Quintana  
Phone: 505-231-3052 Email [Bianca.quintana@dfa.nm.gov](mailto:Bianca.quintana@dfa.nm.gov)

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY29	FY30		
(10,000.0)		Nonrecurring	General Fund
10,000.0			Animal Welfare Trust Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>		141.4	138.6	280.0	R	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**

House Bill 113 creates the Animal Welfare Program Fund and the Animal Welfare Trust Fund. It allocates \$10 million from the general fund to the Animal Welfare Trust Fund. Starting July 1, 2028, and on July 1 each year thereafter, a distribution shall be made from the Trust Fund to the Animal Welfare Program Fund in the amount equal to five percent (5%) of the average year-end market values of the trust fund for the preceding three calendar years. Starting in FY28, the DFA will start awarding funding to municipalities, counties, or eligible entities for projects that support the welfare of domestic cats and dogs.

**Key Provisions:**

- Establishes the Animal Welfare Program to fund projects for the welfare of domestic cats and dogs.
- Creates the Animal Welfare Trust Fund and the Animal Welfare Program Fund.
- Allocates \$10 million from the general fund to the Animal Welfare Trust Fund.
- Grants and contracts can be awarded to municipalities, counties, or eligible entities (nonprofits) for projects such as:
  - Controlling stray animals
  - Enforcing animal cruelty laws
  - Reducing shelter intake and euthanasia rates
  - Providing spay and neuter services
  - Caring for animals seized by law enforcement
  - Developing animal welfare education and outreach materials for the public
  - Providing essential resources for animal care to low-income households\
- Applications for grants must include project descriptions, expected costs, and completion dates.
- Funds must be spent within two years, with unspent funds reverted to the program fund.
- Annual reports on the program's progress and financials will be submitted to the legislative finance committee.
- The Animal Welfare Trust Fund will be invested, with annual distributions to the program fund starting July 1, 2028.

**Duties and Responsibilities:**

- **Department of Finance and Administration:**
  - Oversee the Animal Welfare Program, including the competitive review process for project approval.

- Administer the Animal Welfare Program Fund.
- Promulgate rules to administer the program, including procedures for application review, evaluation, and approval.
- Create reporting mechanisms for grantees
- Ensure priority is given to areas with the greatest need for animal welfare projects.
- Evaluate the ability and competence of applicants to complete proposed projects.
- Report annually to the legislative finance committee on the program's progress, including funded projects, funding amounts, and administrative costs.
- Manage the investment of the Animal Welfare Trust Fund in consultation with the state investment officer.
- Ensure funds are spent within two years and manage the return of unspent funds to the program fund.

## FISCAL IMPLICATIONS

- Administrative Costs: DFA will incur administrative costs to manage the animal welfare program and provide annual reporting. DFA anticipates administration of the fund will require 1200 working hours per year. DFA has not included any administrative cost burden within its base budget for FY26.
- An estimated cost of \$141,362 would be needed to hire one program coordinator at a pay band 80 as detailed below for this purpose.

<b>FTE Cost Detail</b>	
Salary (80)	101,920
Benefits	34,811
ISD Rate	864
HCM Assessment Fee	350
Telecom rate	616
On-Boarding Equipment	2,800
Total FTE Cost	141,362

- Initial Transfer: The bill provides an initial transfer of \$10 million from the general fund to the Animal Welfare Trust Fund, with investment distributions of 5% to the Animal Welfare Program Fund after FY 28.

## SIGNIFICANT ISSUES

This bill does not provide for any allowance for anticipated administrative costs to administer the Animal Welfare Program Fund.

Should a market and economic downturn occur, it is likely the fund would be unable to make disbursements because of its small size.

## **PERFORMANCE IMPLICATIONS**

N/A.

## **ADMINISTRATIVE IMPLICATIONS**

- DFA will have to develop a standard grant agreement and application process to administer Animal Welfare Program Fund grants.
- DFA will have to develop rules for allowable expenditures and reporting in accordance with the bill's requirements.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A.

## **TECHNICAL ISSUES**

N/A.

## **OTHER SUBSTANTIVE ISSUES**

N/A.

## **ALTERNATIVES**

N/A.

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

N/A.

## **AMENDMENTS**

N/A.