



**What Senate Bill 51/House Bill 64 does:**

- SB 51/HB 64 will place a modest fee of \$100/year on pet food manufacturers for each product of dog and cat food and treats registered to be sold in New Mexico (added to the current \$2 registration fee), phased in over a period of three years: \$50 in 2019, \$75 in 2020, and \$100 in 2021.
- **It does not apply to—and will not have any impact on—the cost of livestock feed.**
- The bill exempts small businesses (with annual gross revenue of \$3 million or less) and prescription diets.
- Funding from the fee will pay costs of providing low-cost spay/neuter for animals of income-qualified New Mexicans in areas most in need, and 4% will go to NM Department of Agriculture to fund pet food registration enforcement, and up to 5% of remaining fee revenues may be used by NM Board of Veterinary Medicine for enforcement of the Animal Sheltering Act.
- The bill includes a 6-year sunset clause so the Legislature can assess the effectiveness of the fee increase.
- A similar bill passed the House in 2017 by a bipartisan 50-17 vote.

ESTIMATED REVENUE (dollars in thousands)			Recurring or Nonrecurring	FUND/ENTITIES AFFECTED
2019	2020	2021		
\$624.7	\$937.1	\$1,249.4	Recurring	Animal Care & Facility Fund
\$27.4	\$41.1	\$54.8	Recurring	New Mexico State University Operating Funds
\$32.9	\$49.4	\$65.8	Recurring	NM Board of Veterinary Medicine Operating Funds

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)				Recurring or Nonrecurring	FUND/ENTITIES AFFECTED
2019	2020	2021	3 Year Total Cost		
(\$27.4)	(\$41.1)	(\$54.8)	(\$123.3)	Recurring	New Mexico State University Operating Funds
(\$32.9)	(\$49.4)	(\$65.8)	(\$148.1)	Recurring	NM Board of Veterinary Medicine Operating Funds
(Indeterminate)*			(Indeterminate)*	Recurring	Local Government Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

\*Based on documented costs of animal control, care, and euthanasia in NM and intake/euthanasia reduction data from another state that recently raised pet food registration fees to fund spay/neuter, Animal Protection Voters estimates that local government animal control and shelters will see a recurring cost-savings of approximately \$500,000/year.

**Why do we need to fund spay/neuter?** This effort responds to a [history of requests from the State Legislature and state agencies](#) to develop affordable and accessible spay/neuter resources in our state. A feasibility study on funding mechanisms requested by Senate Memorial 36 (2011) prepared for the Animal Sheltering Board, together with a comprehensive animal shelter survey conducted by Animal Protection of New Mexico, has found:

- New Mexico’s **local governments and non-profits spend \$38.5 million in tax and donor dollars** to fund animal care, control and spay/neuter services—a number that has increased over time.
- Over 135,000 dogs and cats enter New Mexico’s animal shelters every year—about **half are euthanized**.
- Rural counties have the greatest need: Euthanasia rates are as high as 60%-85%.
- 2/3 of New Mexico counties have inadequate spay/neuter services.
- The pet food manufacturer fee increase proposed by SB 51/HB 64 is the **best and only remaining feasible funding mechanism** appropriate for New Mexico that is not already enacted.

**What about other existing funding mechanisms?** The NM Legislature has already created a spay-neuter license plate and a voluntary tax check-off program, but they have not generated nearly enough income for a comprehensive, statewide, subsidized spay/neuter program.

**How are statewide spay/neuter funds administered in New Mexico?** Beginning July 2018, funds will be administered by the NM Board of Veterinary Medicine, which will hear and approve a newly-created animal sheltering subcommittee’s recommendations for spay/neuter fund distributions.

**How much funding would the additional fee provide for low-cost spay/neuter?**

At the completion of the three year phase-in, the fee is expected to generate an estimated \$1.37 million per year, with **more than \$1.2 million annually** dedicated to sterilize an estimated 16,000-22,000 dogs and cats of income-qualified New Mexicans every year.

**This approach is PROVEN to be effective to reduce shelter pet euthanasia.** Other states—West Virginia, Maine, and Maryland—have increased or added fees for spay/neuter onto existing pet food registration fees. Notably, Maryland passed legislation in 2013 raising pet food registration fees to \$100 over the course of three years and reports a slight decrease in intake and **dramatic 29% reduction in euthanasia**.

**Why this legislation makes sense:** Many other states charge pet food manufacturers \$50 to \$100 per product for sale in those states. **New Mexico currently charges only \$2/year per product. We are missing out.** SB 51/HB 64 would bring our pet food registration fees in line with what other states charge, but dedicate that money to covering costs of low-cost spay/neuter services. **If pet food manufacturers pass the fee to consumers by proportionally raising retail prices, it will average only \$0.69 to \$1.38 per year per dog/cat (as it phases in).**

**Pet Food License and/or Registration Fees Charged by State<sup>1</sup>:**

State	License/ Registration Fee	Frequency	Additional Fees
NM	\$2 per product	Annual	Inspection fees annually: <10 lbs. pkgs: \$25 / 10+ lbs. pkgs: \$0.15 per ton
CO	\$75 per company	Annual	Distribution fees annually: 10 lbs. or less: \$25 per product / >10 lbs. pkgs: greater of \$0.10 per ton or \$50
UT	\$55 per product; \$75 per custom-formula product	Annual	n/a
TX	\$75 per facility; \$50 per 5 lbs. or less pkgs per product	Facility fee: one-time Product fee: annual	Inspection fees: \$0.19/ton / paid quarterly if >\$100, annual if <\$100
NV	\$75 per manufacturer	Annual	Inspection fees quarterly: Greater of \$0.15/ ton or \$5/qtr
MT	\$50 per product	Annual	n/a
ID	\$40 per product	Annual	n/a
MD	\$100 per product (phased in 2013-2015)	Annual	n/a
MA	\$100 per product	Annual	n/a
ME	\$100 per product	Annual	n/a
IL	\$90 per product; \$30 facility license	Annual	<10 lbs. pkgs: \$75 / 10+ lbs. pkgs: \$0.20 per ton

<sup>1</sup> The Association of American Feed Control Officials & relevant statutes and state department materials