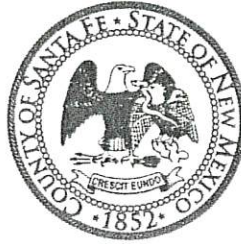


**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Robert A. Anaya**  
*Commissioner, District 3*



**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

February 27, 2018

Susanna Martinez  
Governor of New Mexico  
Office of the Governor  
490 Old Santa Fe Trail  
Room 400  
Santa Fe, NM 87501

Dear Governor Martinez,

Santa Fe County writes to respectfully urge you to sign House Bill 64 (Pet Food Fee for Animal Programs) into law. House Bill 64 will create an equitable funding mechanism for statewide low-cost spay/neuter services, a proven approach to reducing pet overpopulation and euthanasia locally and nationwide. This bill is as much a cost-saving measure as it is a humane animal care measure, and its passage is imperative to our ability to be effective and judicious stewards of Santa Fe County funds.

New Mexico counties and municipalities spend a combined \$27.8 million or more each year on taxpayer-funded animal control, animal care, associated infrastructure, and euthanasia. Private nonprofits spend an additional \$10.7 million for sheltering and spay/neuter services. Approximately half of the homeless animals that come into the care of animal control agencies and rescue organizations are euthanized for lack of homes, which is an appalling and wasteful use of dollars.

We know that citizens in Santa Fe County want to see sustainable solutions to the problem of pet overpopulation. We believe Santa Fe County citizens deserve to see their hard-earned dollars and donations used to humanely care for shelter animals and promote adoption—or, in fact, also support other important municipal services—rather than continue to feed the tragic and expensive cycle of animal euthanasia in our area.

We are aware that measures similar to House Bill 64 have passed in other states, including Maine and West Virginia. Data and testimonials from those states have shown the funding mechanism to be extremely effective in reducing animal shelter intake and euthanasia rates, thereby saving related costs. Additionally, the pet food industry appears to be unaffected—in fact, it continues to thrive in those states—and pet food customers continue to enjoy a broad selection of products to feed their dogs and cats.

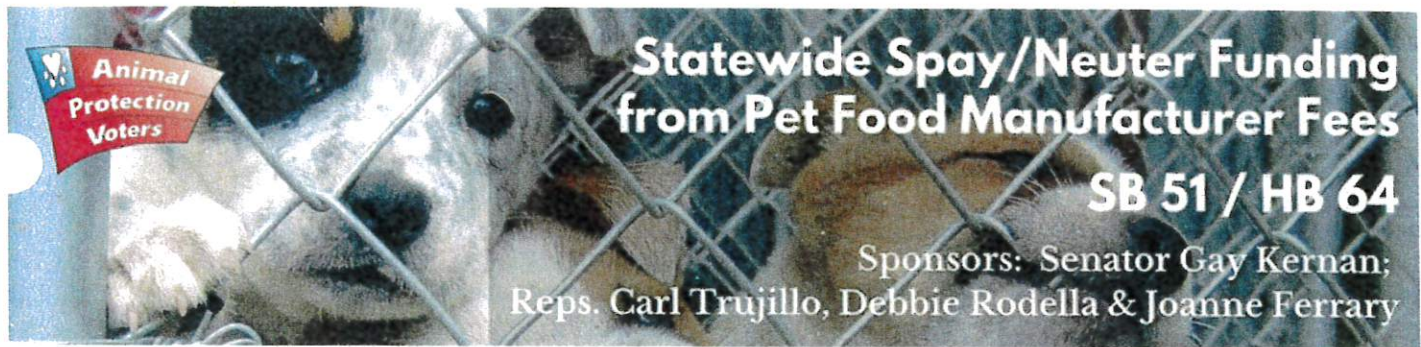
For the aforementioned reasons, we strongly believe House Bill 64 offers a reasonable, fiscally prudent, and beneficial solution to the problem of dog and cat overpopulation that has long plagued Santa Fe County and our great state of New Mexico. We ask you to support the measure and thank you for your consideration.

Respectfully,

Anna Hansen, Chair,  
Santa Fe County Board of County Commission







### 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



