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# FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 03/12/2025

**SPONSOR** Block

**BILL**

**SHORT TITLE** No Restrictions on Plastic Bag Use **NUMBER** House Bill 483

**ANALYST** Serna

## REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal loss	Recurring	See Fiscal Impact				

Parenttheses ( ) indicate revenue decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Conflicts with House Bill 392

### Sources of Information

LFC Files

Agency Analysis Received From  
 Economic Development Department  
 Department of Justice  
 New Mexico Municipal League

Agency Analysis was Solicited but Not Received From  
 Department of Finance and Administration  
 New Mexico Association of Counties

## SUMMARY

### Synopsis of House Bill 483

House Bill 483 (HB483) prohibits public bodies from enacting or enforcing any laws, regulations or ordinances that restrict the use of plastic grocery bags by retail grocers. HB483 defines plastic grocery bags as bags manufactured from synthetic materials, encompassing both petroleum-based or biologically based polymers. The term “public body” within the bill includes state government as well as local government entities such as counties, incorporated cities, home rule municipalities, towns, and villages.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

HB483's statewide prohibition on plastic bag restrictions would prevent local governments from implementing and enforcing their own regulations regarding plastic bags. This preemption would eliminate potential revenue streams from fees that might be charged by retail grocers or fines that could be collected by public bodies under local ordinances and regulations. Additionally, the continued availability of unrestricted plastic grocery bags would likely reduce consumer purchases of alternative lightweight plastic bags, as demonstrated by evidence from Pennsylvania and California. Ultimately, the full fiscal impact of allowing unrestricted plastic grocery bag usage by grocery retailers on governmental entities and the broader economy requires further research and economic analysis to accurately quantify.

## SIGNIFICANT ISSUES

The Economic Development Department notes that single use plastic grocery bags are inexpensive for retailers. Additionally, New Mexico has no single use plastic bag manufacturers and few plastic bag suppliers, therefore employment protection in this industry is not a factor.

Research from other states demonstrates potential economic consequences of plastic bag restrictions. For instance, the University of Sydney documented a 120 percent increase in small garbage bag sales following California's plastic bag ban. Similarly, Pennsylvania research identified that a statewide prohibition led to heightened demand for trash bin liners and comparable lightweight plastic bags, resulting in an estimated \$13 million in additional consumer expenditures. Based on population proportions, New Mexico—with a population approximately 85 percent smaller than Pennsylvania's—could potentially experience comparable increased consumer expenditures of approximately \$2.13 million if plastic grocery bags were prohibited.

The continued availability of single-use plastic bags for New Mexican consumers could result in a cost savings, particularly for individuals who repurpose plastic grocery bags for secondary uses. Quantitative estimates from the New Mexico Environmental Department and the New Mexico Recycling Coalition indicate New Mexicans use at least 330 million single-use plastic bags annually. However, the number or percentage of New Mexicans reusing single-use plastic bags is unknown. Nationally, the federal Environmental Protection Agency's waste stream data reveals that just 6.1 percent of light-weight plastic "bags, sacks and wraps" were recycled. This data suggests that most plastic bags are landfilled rather than recycled.

The New Mexico Municipal League has expressed concern with HB483 stating the legislation "infringes on local regulatory decision-making by explicitly prohibiting local governments from prohibiting retail grocers' use of plastic grocery bags." Furthermore, the Municipal League states their opposition to state preemption of local authority, maintaining that such preemption impedes local governments' capacity to "enact ordinances to fit their unique needs."

Arizona, Florida, Idaho, Indiana, Missouri and Texas have enacted laws preempting cities and counties from establishing their own regulations governing single-use plastic bags. Since 2016 legislative proposals to repeal or modify these preemption statutes have been considered in all these states, potentially allowing cities and counties to restrict plastic bags. However, as of the present time, these original preemption laws remain in effect.

Plastic bags are an environmental nuisance and can create microplastics. According to Keep America Beautiful’s 2020 national Litter Study, an estimated 325 million plastic bags were littered along United States roadways and waterways. Contaminants constitute an average of thirty percent of the recycling stream sent to be sorted at recycling materials recovery facilities (MRFs) from collection programs. MRFs that accept curbside and commercial recycling cite plastic bags as constituting eighty percent of these contaminants. When these bags wrap around sorting equipment, they can shut down the operation for hours and often must be removed by hand, a dangerous and risky procedure. These bags are not recyclable pursuant to these programs and become trash that must “take the long route” to the landfill.

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

HB483 conflicts in part with House Bill 392 (HB392), the Single-Use Plastic Bag Act. HB392 prohibits, with several exceptions, the use of single-use plastic bags across all retail establishments, not just grocery stores.

## **OTHER SUBSTANTIVE ISSUES**

HB483, allowing retail grocers to use plastic grocery bags without government restrictions, conflicts with several local ordinances that currently restrict single-use plastic bags. Municipalities that have implemented restrictions include the cities of Carlsbad, Las Cruces, and Santa Fe as well as the town of Silver City. Additionally, Santa Fe and Bernalillo counties also have plastic bag bans which include other single-use plastics. The city of Albuquerque previously adopted a single-use plastic bag ban in 2020, however it was suspended and then repealed. The town of Taos adopted a plastic bag ban, but it has not yet been implemented.