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FISCAL IMPACT REPORT

SPONSOR McQueen ORIGINAL DATE 1/31/2020
LAST UPDATED _____ HB 293
SHORT TITLE NMED Greenhouse Gas Evaluations SB _____
ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$150.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Environment (NMED)

SUMMARY

Synopsis of Bill

House Bill 293 appropriates \$150 thousand from the general fund to the New Mexico Environment Department (NMED) for the purpose of finalizing an evaluation of emissions trends and proposed policies to reduce carbon dioxide and other greenhouse gas emissions, to include market-based approaches.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2021 shall revert to the general fund.

SIGNIFICANT ISSUES

Governor Executive Order 2019-003 requires significant reductions in greenhouse gas, tasking NMED and Energy, Minerals and Natural Resources (EMNRD) with evaluating strategies to reduce greenhouse gases in New Mexico. This Executive Order includes the following list of strategies to reduce greenhouse gas emissions:

House Bill 293 – Page 2

- Adoption of a statewide regulatory framework for reducing methane emissions from the oil and gas sector.
- Adoption of a comprehensive market-based program that sets emission limits to reduce greenhouse gas.
- Adoption of approaches to reduce greenhouse gas and criteria pollutant emissions from light-duty vehicles, including low emission vehicle standards and zero emission vehicle standards.
- Adoption of building codes.
- Collaboration with the Renewable Energy Transition Authority to improve transmission of renewable energy-based electricity.

According to NMED, HB293 funds NMED to define New Mexico's greenhouse gas emission profile and to determine potential regulatory pathways to reduce greenhouse gas emissions. The additional fund would support NMED's air program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMED states if HB293 is not passed, the department will use assumptions in lieu of a true analysis of greenhouse gas emissions for development of emission reduction strategies.

VKH/al