

development industry; develop and maintain a central repository of uranium mine and mill sites; and report annually to the interim Radioactive and Hazardous Materials Committee.

HB164/HENRCS requires NMED and the Energy, Minerals and Natural Resources Department (EMNRD) to each create a uranium mine reclamation coordinator position and employ additional staff as needed to carry out the duties established by the bill.

The bill creates the uranium mining reclamation revolving fund to consist of appropriations, gifts, grants, donations, and money received by NMED from the federal government or other state agencies and other sources for conducting uranium mine and mill reclamation activities. Money recovered from litigation or settlements related to uranium mine or mill reclamation is also to be deposited in the fund. Money in the fund is subject to legislative appropriation and may be used to support planning, oversight, and projects related to uranium mine reclamation.

HB164/HENRCS appropriates \$350 thousand from the general fund to NMED for the agency's first-year operating expenses in carrying out the provisions of the bill.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

House Bill 2 contains a nonrecurring appropriation of \$350 thousand to NMED for carrying out the purposes of this bill. Because the appropriation is nonrecurring, NMED could use it to fill a term position and support other one-time needs. However, the agency would need recurring funds beginning in FY24 to make the bill's required coordinator position permanent. NMED projects needing the appropriation amount of \$350 thousand annually to carry out its new duties under HB164.

EMNRD estimates needing recurring funds of \$100 thousand to cover the cost of the uranium mine reclamation coordinator position.

HB164/HENRCS does not make an appropriation to the uranium mining reclamation revolving fund for actual reclamation work. NMED reports cleanup of legacy uranium mine and mill contamination costs hundreds of millions of dollars, and the agency is unaware of a funding source other than a legislative appropriation that would support this work. Meanwhile, EMNRD raises the issue of whether current funding from outside sources for active reclamation/remediation would be deposited in the uranium mining reclamation revolving fund or if the legislation only applies to future collections.

The State Land Office (SLO) reports extensive uranium contamination on state trust land that could cost the state and trust beneficiaries tens of millions of dollars to address, whereas HB164/HENRCS and related funding could reduce reducing legacy financial risks.

SIGNIFICANT ISSUES

In its analysis, the Energy, Minerals and Natural Resources Department (EMNRD) expressed concerns that Sections 1.A(1) and 2.B of HB164/HENRCS create potential confusion about responsibilities for legacy uranium mine and mill site clean-up for the following reasons:

1. “All legacy mills are already undergoing or have completed reclamation/remediation under the authority of the federal government, the state, or a combination of the two. Responsible parties have or are currently funding the cleanup. Several former uranium mills have completed reclamation and have been transferred to the [U.S.] Department of Energy for long-term care.
2. Many of the larger uranium mines are also being addressed under state, federal, or joint authorities. The remaining legacy mines need to be assessed to determine their threat to health and the environment and to develop cost estimates for reclamation.
3. As drafted, the bill suggests that NMED’s responsibility might extend beyond coordination and include more formalized control/direction of cleanup activities, which would be potentially inconsistent with existing programs, activities, and authorities.”

Furthermore, EMNRD also has jurisdiction over and is actively overseeing reclamation of legacy uranium mines in the Grants Mining District. A memorandum of understanding between EMNRD and NMED is already in place to specify each agency’s responsibility. Given EMNRD’s existing role in mine and mill site cleanup, both agencies state EMNRD should also have the ability to make expenditures from the fund.

ADMINISTRATIVE IMPLICATIONS

HB164/HENRCS requires NMED to develop a strategic plan for the cleanup of uranium mine and mill sites throughout the state, including reclamation goals, timelines for the completion of cleanup activities at specific sites, and anticipated funding requirements. NMED must consult with the enumerated agencies in the development of the strategic plan and include their input. NMED will need to develop a database or other mechanism to maintain the information and will need to incorporate existing data currently maintained by EMNRD. NMED is also required to establish an “effective mechanism” for consultation and coordination with the federal government, Indian nations, tribes and pueblos, communities impacted by uranium mining, and other states on uranium mine and mill reclamation activities.

NMED anticipates the first year of HB164’s implementation to be focused on development of the program, including identification of stakeholders, evaluating scope of work, developing tracking mechanisms, engaging in cooperative agreements, and inventorying existing information and sources.

For EDD’s role, the agency states it does have the expertise to assist NMED in the strategic planning and policy-making process and in the development of workforce training and business development programs. However, EDD has concerns about the bill’s direction to establish mine reclamation as a target economic development industry (see “Technical Issues”).

WSD reports it is within the agency’s scope of responsibilities to contribute to the employment and training of workers to take on efforts to clean up and reclaim closed mine and mill sites. WSD would not require additional resources to do this.

The Office of the Natural Resources Trustee (ONRT), which also shares responsibilities for uranium mine and mill reclamation, notes HB164/HENRCS may help reduce costs of natural resource damage assessments typically borne by the agency by streamlining the collection of data and information from state, federal, and regional stakeholders needed for evaluating,

quantifying, and rectifying the impact and injuries from the decades of uranium mining and milling in the state.

DUPLICATION, RELATIONSHIP

HB164/HENRCS duplicates Senate Bill 89. House Bill 2 also includes a special appropriation of \$250 thousand to NMED for uranium mine remediation and cleanup.

TECHNICAL ISSUES

HB164/HENRCS requires NMED to work with EDD and WSD to establish uranium mine and mill reclamation as a target economic development industry. EDD notes that it takes direction from the governor's office as to the establishment of target industries, which are traditionally defined as generating 50 percent or more revenue from outside of the state of New Mexico, thereby infusing the economy with new revenues, rather than recycling revenues that already exist within the economy. Reclamation of mines and mill sites do not typically fall under that definition.

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