

LFC Requester:	Davidson
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: Feb. 10, 2025 *Check all that apply:*
Bill Number: HB333 Original X Correction
 Amendment Substitute

Sponsor: Hernandez **Agency Name and Code:** New Mexico Environment
Short Title: CLEANUP OF CONTAMINATED SITES **Number:** Department 667
Person Writing: Jonas Armstrong
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	50,000	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

Relates to Executive Budget Recommendation for Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 333 (HB333) appropriates \$50 million from the General Fund to the Environment Department (NMED) for expenditure in fiscal years (FY) 2026 through 2028 to assess and clean up abandoned or neglected contaminated sites, including abandoned uranium mining sites, across the state that do not have viable responsible parties to fund and conduct cleanup actions. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the General Fund.

FISCAL IMPLICATIONS

NMED anticipates that 97% of this funding will go directly to assessing and cleaning up contaminated sites. NMED would use 3% to hire technical, legal, community

engagement/communications, and budget staff to facilitate these efforts.

Around \$48 million would be used to begin remediation and to further assess and characterize other sites. As an example, NMED has identified one site for remediation with an estimated cost of \$5 million. This site contains chemically contaminated soil and groundwater. In addition, NMED plans to begin remediation efforts on one abandoned uranium mine site and estimates cost of the work to be between \$4 and \$8 million dollars. Additional sites have been identified and will be further investigated to develop cost estimates and work plans. Current estimates indicate that costs for individual mine site remediation will range from \$4 to \$12 million dollars per site, depending on whether groundwater contamination is present, method of remediation dictated, and complex site features.

NMED estimates approximately \$1.5 million would be used for personnel services and overhead. In part, these costs are incurred as NMED's Resource Management Division (P567) that houses legal, community engagement/communications, and personnel budget was cut in FY25. In addition, the Legislative Finance Committee has proposed another personnel budget cut for P567 in FY26. Together, these cuts amount to \$1.4 million annually.

SIGNIFICANT ISSUES

See below under "WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL."

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

Neglected contaminated sites and abandoned uranium mines are also present on sovereign nation's land. The proper mechanisms to allow expenditure of funding and implementation of the work through cooperative agreements will need to be developed.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The Executive Budget Recommendation includes a \$50 million General Fund appropriation to support the neglected and contaminated sites work covered by HB2. While the \$50 million appropriation is a significant investment, NMED's experience suggests approximately \$300 million is necessary to address the 350+ sites in New Mexico. This appropriation could better establish and inform future appropriations.

SB22 establishes the Water Quality Control Commission's authority to adopt rules for state-led response, investigation, and remediation of water pollution and soil contamination. The bill also creates a non-reverting neglected and contaminated sites fund dedicated to this cleanup work.

The Uranium Mine Reclamation Revolving Fund was created in 2022 to address uranium mine cleanup, but the balance remains at \$0. HB333 will appropriate funds from the General Fund and

allow for more flexibility and less restriction on how the funds are spent, decreasing overall cleanup timelines.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

Additional time may be needed to spend the funding simply due to the fact that the funding for FY26 is not available to agencies on July 1, 2025. It may take up to 45 days to receive the funds and another 60 days to award contracts. While some cleanup activities can be completed quickly, others where groundwater contamination has occurred, will take years to achieve complete cleanup.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico has more than 350+ contaminated sites across the state. Without this funding, the threat to human health and the environment will continue.

AMENDMENTS

None.