

LFC Requester:

Governor's Office

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:	02/24/2025	<i>Check all that apply:</i>			
Bill Number:	HB457	Original	<input checked="" type="checkbox"/>	Correction	<input type="checkbox"/>
		Amendment	<input type="checkbox"/>	Substitute	<input type="checkbox"/>

Sponsor	Dixon	Agency Name and Code Number:	NMED-667		
Short Title:	GEOLOGIC CARBON DIOXIDE SEQUESTRATION ACT	Person Writing	John Rhoderick		
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	0	

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: (Similar to 2024 SB215; see also 2025 HB458) Cited as the “Geologic Carbon Dioxide Sequestration Act,” provides for the process of forming sequestration units for the injection of carbon dioxide into the earth to prevent its escape into the atmosphere. The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department is granted jurisdiction and authority to enforce the act and may adopt rules for its implementation.

FISCAL IMPLICATIONS

No fiscal impacts to New Mexico Environment Department (NMED).

SIGNIFICANT ISSUES

HB457 provides a significant opportunity for sequestration of carbon dioxide in sub-surface pore space and likely provides a cost-effective methodology for sequestering carbon dioxide that will result in increased ability to meet greenhouse gas reduction levels while providing revenue to property owners.

PERFORMANCE IMPLICATIONS

None noted.

ADMINISTRATIVE IMPLICATIONS

HB457 requires that applicants certify that there will be no contamination of groundwater due to the sequestration and requires them to identify all drinking water wells within the sequestration area boundaries and buffers. It is strongly recommended that OCD communicate with NMED regarding proposed sequestration areas and activities for groundwater quality tracking purposes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Similar to 2024 SB215; see also 2025 HB458) Cited as the “Geologic Carbon Dioxide Sequestration Act,” provides for the process of forming sequestration units for the injection of carbon dioxide into the earth to prevent its escape into the atmosphere. The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department is granted jurisdiction and authority to enforce the act and may adopt rules for its implementation.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB457 is not enacted, New Mexico will miss out on a critical opportunity to reduce carbon dioxide gas, a leading contributor to climate change, resulting in difficulty in reaching greenhouse gas emissions goals. Additionally, a viable revenue stream will not be available to property owners in areas where subsurface sequestration of carbon dioxide is viable.

AMENDMENTS

None identified.