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FISCAL IMPACT REPORT

SPONSOR: Gubbels DATE TYPED: 03/05/01 HB 790/aHJC
 SHORT TITLE: Amend Air Quality Control Act SB _____
 ANALYST: Belmares

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (7.0) See Fiscal Implication section		Recurring	OSF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
 Department of Environment (DOE)
 Air Quality Control Act

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee amendment clarifies where penalties collected pursuant to the bill would be deposited. Additionally, the amendment replaces the phrase “regional authority” with “region two” to correspond with references elsewhere in the bill.

Synopsis of HENRC Amendment

The House Energy and Natural Resources amendment provides that before a vehicle emission inspection and maintenance program, such as that which is already in place in Bernalillo County, is applicable within Sandoval or Valencia counties or any municipality within those counties, the program must be required by the federal Environmental Protection Agency. Additionally, the amendments establish that if any of those entities within region two enacts the program by ordinance, the program shall apply within the political subdivision that enacts the program.

Synopsis of Original Bill

House Bill 790 amends the New Mexico Air Quality Control Act (AQCA) to create a regional authority, a regional agency and a regional board for air quality. Region 2 is defined in the bill to encompass Bernalillo, Sandoval and Valencia Counties. The Regional Authority, Agency and the Board would replace the existing Local Authority, Local Agency and Local Board in Bernalillo County under the AQCA. Additionally, a Technical Review Board, reporting to the Regional Board,

would be created. The jurisdictional expansion created through the bill is intended to foster better management of the air quality of the Middle Rio Grande Valley.

Significant Issues

The Regional Board created through House Bill 790 would be comprised of nine members. Three of the members of the Regional Board would represent counties, three would represent municipalities, and three would be appointed by the Governor. The Regional Agency would be designated by the City of Albuquerque. The Regional Authority would consist of Bernalillo, Sandoval and Valencia counties and the City of Albuquerque. Additionally, the bill would allow participation of Indian nations in the activities of the Regional Board.

The Regional Board would be established effective March 1, 2002. The remaining provisions of the bill would become effective September 1, 2002, or as soon as 12 months after a date on which the United States Environmental Protection Agency confirms a violation of a standard under the federal Clean Air Act has occurred.

House Bill 790 also specifies that violations of regulations of the Regional Board regarding open burning, residential incineration, and tampering with motor vehicle emission control devices is a petty misdemeanor.

FISCAL IMPLICATIONS

Under House Bill 790, the Department of Environment would lose approximately \$7.0 per year in Air Quality Title V operating permit fees. These fees are currently generated by five major facilities of the 25 facilities in Sandoval and Valencia counties over which the Department of Environment would lose jurisdiction. The Department of Environment did not provide a detailed comparison of estimated revenue losses with estimated expenditure decreases. However, the department asserts the loss in permitting revenue is expected to be offset by the cost savings of not monitoring and enforcing the permit conditions for those facilities.

ADMINISTRATIVE IMPLICATIONS

The Department of Environment has suggested the bill would require the department to request a revision to the State Implementation Plan (SIP) to expand region 152 (referred to as region two in the bill) to include all of Valencia and Sandoval Counties. This revision process would require a hearing before the Environmental Improvement Board and a submittal to the Environmental Protection Agency.

TECHNICAL ISSUES

On page 23, line 16 "Section 5059(c)" should read "Section 505(c)."

The Department of Environment has suggested at the end of the definition of "region two," the bill include the phrase ". . . and includes all of the air quality control region two as defined and established by the state implementation plan and approved as region 152 by the federal environmental protection agency." The state's submittal (in the early 1970's) of the SIP referred to the region in question as "region 2." When EPA approved the SIP it designated the area in question as "region 152."