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FISCAL IMPACT REPORT



SPONSOR: Heaton DATE TYPED: 01/31/02 HB HJM 64

SHORT TITLE: Environmental Covenants SB _____

ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	Minimal		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Legislative Finance Committee files
 Department of Environment (NMED)
 Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Joint Memorial 64 directs the Department of Environment to study state regulatory authority to enforce land use restrictions, particularly as they relate to future land use of contaminated property. The NMED would report its findings to the appropriate interim legislative committee by November 2002.

Significant Issues

In New Mexico, state agencies do not have the authority to restrict the land use of remediated land. According to both the Department of Environment and Energy, Minerals and Natural Resources Department, many parcels of contaminated land could have value as a commercial or industrial site, but would be poor choices for residential or recreational uses. Brownfields redevelopment is a good example of returning contaminated sites to productive uses. According to NMED, returning polluted sites to a condition that requires owners or operators to restrict the use of the property, may be desirable, both from an economic and redevelopment standpoint.

FISCAL IMPLICATIONS

Enactment of HJM 64 would have only a minor administrative or fiscal impact on the department of environment.

MFV/ar