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FISCAL IMPACT REPORT

ORIGINAL DATE 02/19/07

SPONSOR Harrison LAST UPDATED _____ HB 1204

SHORT TITLE Uranium Mine Survey & Closures SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$75.0	Non-recurring	General

(Parenthesis () Indicate Expenditure Decreases)

FORMATION

LFC Files

Responses Received From

Energy Minerals and Natural Resources Department (EMNRD)

Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

House Bill 1204 appropriates \$75 thousand from the general fund to the Indian Affairs Department for the purpose of engaging a nonprofit group to conduct a survey of uranium mines in northwest New Mexico and to complete an assessment to close existing mines

FISCAL IMPLICATIONS

The appropriation of \$75 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

IAD notes that because of the amount to be appropriated through HB 1204, the Indian Affairs Department would have to issue a Request for Proposals for this appropriation. However, a possible recipient would be the Southwest Research and Information Center (“SRIC”) in

Albuquerque, New Mexico.¹ SRIC is involved in monitoring uranium mining effects on Navajo communities and tribal members, and the environment within and near the Navajo Reservation. Additionally, SRIC, in partnership with the Eastern Navajo Diné Against Uranium Mining (“ENDAUM”) and the New Mexico Environmental Law Center, is opposing new uranium mining developments within Navajo Indian Country and within and near Laguna Pueblo and Acoma Pueblo land near Mt. Taylor, New Mexico.²

Further, the appropriation for HB 1204 supports the SRIC’s initiative to conduct an assessment of existing uranium mining contaminated areas within New Mexico, including all areas in Navajo and Pueblo Indian Country, and to make recommendations for environmental restoration, public health studies and other measures needed to address the legacy of past uranium mining and processing.³

According to the SRIC, northwestern New Mexico has hundreds of uranium mines in various states of clean up or documentation, and hundreds of contaminated uranium mill tailing sites from the 30 year uranium mining boom beginning in the 1950s and ending in the late 1970s. Many of these mines pose significant hazards to New Mexicans, live stock owners, and livestock.

EMNRD adds that the uranium mining “boom” from the 1950s to the 1980s left behind hundreds of sites with significant disturbances and environmental and health impacts. Many of these sites, particularly the larger mines and mills, have been reclaimed, or are being reclaimed, under the authority of various state, federal and tribal authorities. However, a number of sites have not been reclaimed. These include older sites, particularly those located in the checkerboard area of mixed federal, state and tribal jurisdiction. There is a need to inventory these sites and determine what work remains to be done.

Inventories of old uranium mines are currently being developed by federal, tribal and state agencies. The United States Environmental Protection Agency, working with the Navajo Nation, has developed a database of uranium mines within the Navajo Nation, which includes lands owned or occupied by Navajos off the formal Reservation. Recently, Energy, Minerals and Natural Resources Department (EMNRD), working with New Mexico Tech Bureau of Geology (NM Tech), has been updating a database of uranium mines to identify sites outside the Navajo Nation that need reclamation work. The project funded by this bill has the potential to duplicate the work being done by other agencies.

EMNRD indicates the bill refers to “uranium mines” and “existing uranium mines” without indicating whether it means mines that are currently operating or mines that have ceased operating but have not been reclaimed. Since there are no currently operating uranium mines in New Mexico, EMNRD’s analysis has assumed the bill is referring to mines that ceased operation but were not reclaimed. The term “close” is also ambiguous: to the lay person, it may mean ‘to cease operation’, but to an environmental professional, it may mean ‘to reclaim or clean up’. EMNRD assumed the latter.

¹ Conversation with Representative Irvin Harrison on February 14, 2006 at approximately 4:05 PM.

² Conversation with Chris Shuey, Director of the Southwest Research and Information Center on February 14, 2006.

³ Ibid.

POSSIBLE QUESTIONS

The appropriation is directed to a non-profit group. It is unknown why a nonprofit group as opposed to an agency or an environmental consulting company would be better at conducting the survey and assessment required by the bill particularly since work of this nature is already in progress. Joining a study underway should result in significant cost savings.

MW/nt