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FISCAL IMPACT REPORT

ORIGINAL DATE 03/12/07

SPONSOR Harrison LAST UPDATED _____ HM 91

SHORT TITLE FOUR CORNERS-AREA HEALTH STUDY SB _____

ANALYST Hanika Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$.1 see narrative				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Memorial 91 requests the DOH and other governmental agencies undertake a health study of residents in the four corners area of the state, with emphasis on respiratory illnesses.

The memorial has the following comments:

- There are presently two coal-fired power plants operating in the Four Corners region of the Navajo Nation that generate significant amounts of air pollution.
- There is a proposal to construct an additional coal-fired power plant in the Four Corners region of the Navajo Nation that may increase current levels of air pollution in that region.
- There are reports that residents of the Four Corners region of the state suffer respiratory illnesses at a rate that is significantly higher than that experienced by state residents in general.
- There may be a connection between the rate of respiratory illnesses among residents of the Four Corners region of the state and the levels of air pollution in that region, but no studies have been undertaken to establish whether such a relationship exists.

FISCAL IMPLICATIONS

The DOH, in cooperation with other appropriate state, tribal and federal agencies, is being requested to undertake a health study of residents in the Four Corners region of the state, with an emphasis on respiratory illnesses. The study group will incur costs to State agencies dependent upon how many Department staff members participate; how often the group meets; and, the additional costs derived from the implementation of any recommendations made by the group.

If members of the study group receive no other compensation, perquisite or allowance, they may be entitled to per diem and mileage as provided in the Per Diem and Mileage Act.

SIGNIFICANT ISSUES

Many residents of this region believe that public health has not been properly evaluated or secured for citizens of the Four Corners region in regards to air pollution. High incidences of asthma and other respiratory illnesses are prevalent in the Four Corners region.

According to *Dine Care*, two existing coal-fired power plants in the vicinity have been called two of the worst point-sources of pollution in the U.S. by the EPA, spewing concentrations of a number of pollutants proven to be damaging to human health and the environment. The health of neighboring residents on Navajo lands has been compromised by their exposure to these toxins. Those residents, and many of their neighbors and supporters, have joined forces to resist forced relocation and exposure to even more toxic pollutants any new plant will add to their already overburdened community.

According to the San Juan Citizen Alliance, the proposed Desert Rock Power Plant is a 1,500 megawatt mine-mouth, coal-fired power plant by Sithe Global Power, LLC in Burnham on the Navajo Nation, San Juan County, New Mexico on a 580-acre site approximately 30 miles southwest of Farmington, New Mexico. If constructed, Desert Rock will become part of a massive complex of existing coal mines (BHP Billiton), coal delivery systems and coal-fired power plants (Arizona Public Services Company Four Corners Power Plant and Public Service Company of New Mexico San Juan Generating Station) located in the Four Corners region.

ADMINISTRATIVE IMPLICATIONS

DOH notes the Department has conducted studies of respiratory illnesses in San Juan County (Association between Ozone and Emergency Department Visits for Asthma in the Farmington, NM area poster report to CDC 2003). The Farmington study showed a statistically significant increase in emergency department visits for asthma due to a 10 parts per billion (10ppb) increase in ozone. Particulate matter, nitrogen dioxide and sulfur dioxide concentrations were also examined, although these data were limited because they were not collected daily. To improve data, the DOH is partnering with the National Aeronautic and Space Administration (NASA) to secure satellite data of air pollutants on a daily basis.

TECHNICAL ISSUES

The Four Corners is the survey point at the intersection of the four U.S. states of Utah, Colorado, New Mexico, and Arizona and the high desert plateau region surrounding that point. The memorial is unclear as to what exact areas of the state and its residents are being studied.

The memorial does not provide a date by which the study group is expected to complete its tasks; nor, is it clear which legislative committee the study group should report its findings and recommendations.

DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

HM91 duplicates SM 75

HM 91 relates to SB 994 Coal Electric Facility Gross Receipts concerning the proposed Desert Rock coal-fired power plant.

SUBSTANTIVE ISSUES

DOH reports that exposure to air pollutants, such as ozone, nitrogen dioxide, sulfur dioxide and particulates have repeatedly been shown to be associated with negative health outcomes, including mortality, reduced lung function growth and asthma). In an Environmental Protection Agency (EPA) study of air quality in New Mexico, Sather showed that the ozone concentrations in San Juan County were increasing and were among the highest found in EPA sites in the Southwest. He further concluded that the levels were similar throughout most of the county and that nitrogen dioxide and alkanes were the main volatile organic compounds in the ozone development.

The 2003-2005 average age-adjusted death rate for chronic lower respiratory diseases for San Juan County is 58.5 deaths per 100,000 standard population, which is significantly higher than the state's rate of 47.2 deaths per 100,000 standard population for the same period as standardized to the 2000 U.S. population.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A health study on the respiratory illnesses of residents in the four corners of the state will not take place through the memorial.

AHO/mt