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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/09

SPONSOR M. Sanchez LAST UPDATED _____ HB _____

SHORT TITLE State Agency Recycling Annual Reporting SB 2

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

- General Services Department (GSD)
- New Mexico Environment Department (NMED)
- New Mexico Corrections Department (NMCD)
- Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 2 amends the state’s Solid Waste Act, (Section 74-9-15 NMSA 1978) to add “metal, paper, and plastic” to the type of containers that each state agency should recycle. Additionally, this bill requires the General Services Department to provide a report to the legislature and Governor every September 1 beginning in 2009. The report must state which agencies have a current source reduction and recycling plan, along with the status of each plan. GSD must also report agencies that are not complying. Finally, the agency must recommend legislation to improve source reduction and recycling efforts, including strategies to foster markets for recycled materials.

FISCAL IMPLICATIONS

The General Services Department states that it can draw on existing human resources in an effort to comply with the proposed legislation and does not foresee any fiscal implications.

NMED states that there are no fiscal implications to their department.

SIGNIFICANT ISSUES

The New Mexico Environment Department notes that currently their Solid Waste Bureau is the lead agency in carrying out requirements of §74-9-15. Approximately five years ago, Solid Waste Bureau created START, the State Agency Recycling Team. That group – comprised of a representative from each state agency – meets approximately three times a year to discuss recycling and source reduction issues. Currently, the Environment Department has a year-end performance goal of increasing recycled tonnage in all state agencies by ten percent per year. The amendments in Senate Bill 2 would shift the primary burden of compliance under §74-9-15 from NMED to GSD, which is the agency actually responsible with collecting the recyclables within state offices.

The New Mexico Environment Department's Solid Waste Bureau (NMED SWB) has a history in relevant practices and coalitions. In December of 2004, NMED SWB, in conjunction with the New Mexico Recycling Coalition and the New Mexico Economic Development Department created a Strategic Plan to Transform the Economics of Recycling in New Mexico, and has developed START, which already helps state agencies develop waste reduction & recycling plans. Furthermore, the 2008 New Mexico Solid Waste Annual Report states, "Waste managed in 2007 was only one percent higher than in 2006, the tons of recycled materials rose 19 percent, elevating the 2007 state-wide recycling rate to 10.96 percent, up from a 9.74 percent rate in 2006. The new recycling rate is the highest ever attained in New Mexico."

Senate Bill 2 does not address how these current efforts will integrate with the new annual reporting requirements. SB02 also does not adequately define "containers" (e.g. bottles, cans, barrels) or composition of said containers (e.g. polypropylene vs. polystyrene).

The HED notes that Senate Bill 2 is relevant to them as a state agency, but not to the publicly funded higher education institutions in New Mexico.

PERFORMANCE IMPLICATIONS

The Higher Education Department notes that Senate Bill 2 does not provide performance measures. Senate Bill 2 requires each state agency and the Legislature to prepare a source reduction and recycling plan that addresses the requirements of establishing and implementing a source separation and collection program for recyclable materials produced as a result of agency operations or used in the course of operations. The General Services Department will receive plans and prepare an annual report and recommendations for legislation or other improvements to the program.

CH/mt/mc