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HOUSE BILL 293

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

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AN ACT

RELATING TO THE ENVIRONMENT; ENACTING THE URANIUM LEGACY
CLEANUP ACT; PROVIDING FOR THE ADMINISTRATION OF THAT ACT AND
CLEANUP ACTIONS TO BE TAKEN PURSUANT TO IT; CREATING REVENUE
SOURCES TO FUND URANIUM LEGACY CLEANUP ACTIVITIES; AMENDING AND
ENACTING CERTAIN SECTIONS OF THE NMSA 1978; MAKING
APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 5 of this act may be cited as the "Uranium Legacy
Cleanup Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Uranium Legacy Cleanup Act:

A. "department" means the energy, minerals and
natural resources department;

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1 B. "financial assistance" means providing grants or
2 loans for qualified projects on terms and conditions approved
3 by the secretary;

4 C. "fund" means the uranium legacy cleanup fund;

5 D. "qualified project" means a project approved by
6 the secretary for financial assistance; and

7 E. "secretary" means the secretary of energy,
8 minerals and natural resources.

9 SECTION 3. [NEW MATERIAL] URANIUM LEGACY CLEANUP FUND--
10 CREATED--PURPOSE--APPROPRIATIONS.--

11 A. The "uranium legacy cleanup fund" is created as
12 a nonreverting fund in the state treasury and shall be
13 administered by the department. The fund shall consist of
14 money from distributions pursuant to Sections 6 and 7 of this
15 2016 act; money that is repaid from loans approved by the
16 secretary; money collected as fees for interim radioactive
17 material storage; and money that is appropriated or donated or
18 that otherwise accrues to the fund. Money in the fund shall be
19 invested by the state investment officer in the manner that
20 land grant permanent funds are invested pursuant to Chapter 6,
21 Article 8 NMSA 1978. Income from investment of the fund shall
22 be credited to the fund.

23 B. The department shall establish procedures and
24 adopt rules as required to administer the fund and to originate
25 grants or loans for qualified projects approved by the

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1 secretary.

2 C. Money in the fund shall be appropriated by the
3 legislature to the department to carry out the purposes of the
4 Uranium Legacy Cleanup Act by providing financial assistance
5 for qualified projects. Money shall be disbursed from the fund
6 only on warrant of the secretary of finance and administration
7 upon vouchers signed by the secretary of energy, minerals and
8 natural resources or the secretary's authorized representative.
9 Any unexpended or unencumbered balance remaining at the end of
10 a fiscal year shall not revert to the general fund.

11 SECTION 4. [NEW MATERIAL] DUTIES OF THE SECRETARY.--

12 A. Expenditures from the fund for financial
13 assistance shall be approved by the secretary for qualified
14 projects directed at the elimination or reduction of actual or
15 potential exposure of persons to contamination that may have
16 resulted from uranium mining or milling activities that
17 occurred prior to July 1, 2017.

18 B. The secretary shall adopt rules for applying for
19 financial assistance from the fund and for establishing
20 priorities for qualified projects. The priorities for
21 approving qualified projects shall be based upon:

22 (1) the protection of public health, safety
23 and welfare;

24 (2) the protection of the environment from
25 existing or potential contamination;

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1 (3) the ability to leverage funds available
2 from other sources to implement qualified projects;

3 (4) the degree to which a qualified project
4 can be completed with the requested funding;

5 (5) the size of the area to be included with
6 the qualified project;

7 (6) the number of persons affected or
8 potentially affected by contamination at the site of the
9 qualified project;

10 (7) the level of actual or potential radiation
11 exposure at the site of the qualified project;

12 (8) the potential for an increase of the area
13 contaminated or potential exposure to persons if the site of a
14 qualified project is not cleaned up;

15 (9) the lack of any potentially responsible
16 party obligated to conduct a cleanup pursuant to any federal,
17 state or tribal law;

18 (10) the potential uses for the site following
19 the completion of the qualified project; and

20 (11) the legal authority of the applicant to
21 conduct cleanup activities on the proposed site.

22 C. Financial assistance may be provided to
23 qualified projects in which the state of New Mexico, other
24 state governments, the federal government, tribal governments
25 and other public and private entities are participating.

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1 SECTION 5. [NEW MATERIAL] REPORT TO LEGISLATURE.--The
2 secretary shall report to the appropriate interim legislative
3 committee no later than October 1 of each year regarding the
4 total expenditures from the fund for the previous fiscal year,
5 the purposes for which expenditures were made, an analysis of
6 the progress of the projects funded and proposals for
7 legislative action in the subsequent legislative session.

8 SECTION 6. A new section of the Tax Administration Act is
9 enacted to read:

10 "[NEW MATERIAL] DISTRIBUTION TO URANIUM LEGACY CLEANUP
11 FUND--URANIUM LEGACY CLEANUP SURTAX.--A distribution pursuant
12 to Section 7-1-6.20 NMSA 1978 shall be made to the uranium
13 legacy cleanup fund in an amount equal to the net receipts
14 attributable to the uranium legacy cleanup surtax."

15 SECTION 7. A new section of the Tax Administration Act is
16 enacted to read:

17 "[NEW MATERIAL] DISTRIBUTION TO URANIUM LEGACY CLEANUP
18 FUND--RESOURCES EXCISE TAX ON URANIUM.--A distribution pursuant
19 to Section 7-1-6.20 NMSA 1978 shall be made to the uranium
20 legacy cleanup fund in an amount equal to fifty percent of the
21 receipts attributable to the taxes on uranium pursuant to the
22 Resources Excise Tax Act."

23 SECTION 8. A new section of the Resources Excise Tax Act
24 is enacted to read:

25 "[NEW MATERIAL] RATE AND MEASURE OF SURTAX--DENOMINATION

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1 AS "URANIUM LEGACY CLEANUP SURTAX".--

2 A. For the privilege of severing or the related
3 processing of uranium, there is imposed a "uranium legacy
4 cleanup surtax" on any severer or related processor of uranium
5 in New Mexico. A severer of uranium shall not be subject to
6 the uranium legacy cleanup surtax with respect to severed
7 uranium if the surtax on that severed uranium is paid by a
8 processor. The uranium legacy cleanup surtax shall be imposed
9 at an amount equal to fifty cents (\$.50) per pound of the
10 content of U308 contained in uranium severed or processed after
11 such severing, regardless of the form in which the product is
12 actually disposed of.

13 B. For the privilege of severing or the related
14 processing in New Mexico of uranium that is severed in New
15 Mexico and is owned by another person and not otherwise taxed
16 by Subsection A of this section, there is imposed on the
17 service charge of any person severing or processing after the
18 severing of uranium owned by another person a uranium legacy
19 cleanup surtax at the same rate that would be imposed on an
20 owner of uranium for performing the same function.

21 C. Notwithstanding the provisions of Subsections A
22 and B of this section, the uranium legacy cleanup surtax shall
23 not be imposed upon the purification, UF6 conversion,
24 enrichment, deconversion, reprocessing or disposal of uranium."

25 SECTION 9. EFFECTIVE DATE.--The effective date of the

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1 provisions of this act is January 1, 2017.

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