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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 3/07/17  
**LAST UPDATED** 3/13/17     **HB** \_\_\_\_\_  
**SPONSOR** Tallman  
**SHORT TITLE** Expedite Recycling Facility Permitting     **SM** 83/aSRC  
**ANALYST** Martinez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	See Fiscal Implications

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Environment Department (NMED)  
 Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Senate Rules Committee Amendment

Senate Rules Committee amendment strikes the word, “expediting” in the synopsis of the bill as well as in the following instance, “expediting the permitting process for FGM3-soukos recycling and”

#### Synopsis of Bill

Senate Memorial 83 (“SM83”) requests that the Economic Development Department and the New Mexico Environment Department cooperate to expedite the permitting process for the FGM3-Soukos Recycling and Waste to Energy Facilities in New Mexico.

### FISCAL IMPLICATIONS

The Environment Department (NMED) states that staff time and resources for such a permit review are unknown at this time, as the pre-application meeting required by the New Mexico Solid Waste Rules (“Rules”) to discuss this potential applicant’s plans has not been requested, scheduled or held. This meeting is necessary to determine the proposed location, timing, details

about waste excavation, recycling process and amount of tonnage a Waste-to-Energy FGM3-Soukos Recycling and Waste to Energy plant would generate. The Solid Waste Bureau has not received any correspondence from the potential applicant or a permit application for consideration.

## **SIGNIFICANT ISSUES**

The Environment Department provided the following significant issues:

Based on information provided in SM83, two Solid Waste Facility Permits would be required: A Recycling Processing permit and a Transformation Facility (Waste-to-Energy Facility) permit.

The Rules (see 20.9.3.17 NMAC) contain deadlines for the completion of permit application reviews by Solid Waste Bureau staff, and submittal of additional information by the applicant. The Rule requirements provide for timely review of permit applications while ensuring that the applicant provides all information required by the Rules for issuance of a Solid Waste Facility Permit.

The New Mexico Solid Waste Act (“Act”) requires that public hearings be held on all Solid Waste Facility Permit applications prior to issuance or denial of a permit application (see NMSA 1978, § 74-9-23(B)). The Act further requires that the Secretary of the Environment Department issue, issue with conditions, or deny a permit application within 180 days after the application is deemed administratively complete (see NMSA 1978, § 74-9-24(A)).

An Air Quality Permit from the NMED Air Quality Bureau would potentially be required for the Waste-to-Energy Plant.

Additionally, an applicant would also need to prepare and submit substantive Waste Excavation Plan(s) for approval for each landfill that would be excavated to remove wastes for feed stock for recycling processing and transformation (Waste-to-Energy).

Waste excavation of landfills is problematic if the site is near residential or commercial areas. Waste excavation may cause public nuisance due to strong odors, dust, equipment noise and other disturbances.

## **PERFORMANCE IMPLICATIONS**

According to the Environment Department, in order to expedite the application review process, the applicant must submit an initial high-quality permit application. If an incomplete or non-compliant permit application is submitted, the Solid Waste Bureau must issue one or more requests for additional information (see 20.9.3.17(A) and (B) NMAC). The need to issue requests for additional information lengthens the permit application review process, as the applicant must gather and develop additional information, and the Bureau must complete the review of additional information within the timeframes specified by the Rules. The Solid Waste Bureau is willing and able to conduct a pre-application meeting with representatives of FGM3-Soukos to provide information on the required elements of a permit application. Such pre-application meetings are critical to ensure that the applicant is knowledgeable of the necessary elements of a successful application, which will lead to timely completion of the permit application review process.

## **ADMINISTRATIVE IMPLICATIONS**

Permitting of processing and transformation facilities may face public opposition during the permitting process and during comments and testimony at required hearings. This may add cost to both the applicant and the Environment Department. In order to avoid a contentious and lengthy permit application hearing, it is essential that FGM3-Soukos conduct public information meetings in the communities where they plan to construct and operate their processing and transformation facilities prior to submittal of a Solid Waste Facility Permit application. These public information meetings allow the potential applicant to provide information to the public and better understand the concerns of local communities; the concerns can then be addressed during development of the Solid Waste Facility Permit application.

## **OTHER SUBSTANTIVE ISSUES**

The Environment Department states that the Solid Waste Bureau must remain neutral in permitting actions, and cannot provide implied endorsement/support of an expedited permitting process that does not comply with Rule requirements for permit application content and quality. However, the Solid Waste Bureau is willing and able to meet with FGM3-Soukos to provide guidance and information on the elements of a high-quality permit application. Submittal of a high-quality, initial permit application will result in an expeditious permitting process within the scope of the Rules.

JM/al