

LFC Requestor: Self Assigned

**2025 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS**

**Section I: General**

**Chamber:** House **Category:** Bill  
**Number:** 33 **Type:** Introduced

**Date (of THIS analysis):** 1/22/25  
**Sponsor(s):** Debra M. Sarinana  
**Short Title:** Prohibit New Emissions in High Ozone Counties

**Reviewing Agency:** Agency 665 – Department of Health  
**Analysis Contact Person:** Arya Lamb  
**Phone Number:** 505-470-4141  
**e-Mail:** arya.lamb@doh.nm.gov

---

---

**Section II: Fiscal Impact**

**APPROPRIATION (dollars in thousands)**

<b>Appropriation Contained</b>		<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY 25</b>	<b>FY 26</b>		
\$0	\$0	\$0	NA

**REVENUE (dollars in thousands)**

<b>Estimated Revenue</b>			<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>		
\$0	\$0	\$0	NA	NA

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

	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Non-recurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0	\$0	\$0	\$0	NA	NA

### Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: HB34, HB35

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

### Section IV: Narrative

#### 1. BILL SUMMARY

##### a) Synopsis

House Bill 33 (HB33) proposes to add a new section to the Air Quality Control Act that would prohibit the construction of new sources relating to oil and gas in counties where ozone concentrations are in excess of the primary national ambient air quality standards for ozone.

The bill proposes to enact this beginning July 1, 2025.

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

##### b) Significant Issues

Living or working near oil and natural gas production sites has been increasingly linked to a range of negative health outcomes, raising concerns about the safety of communities in these areas. Research has identified air and water pollution as primary exposure pathways, with emissions of volatile organic compounds (VOCs), particulate matter, and other hazardous substances contributing to respiratory issues, cardiovascular diseases, and adverse birth outcomes. (<https://doi.org/10.1515/reveh-2014-0002>; <https://doi.org/10.1088/2752-5309/acc886>; <https://doi.org/10.1001/jamapediatrics.2022.0306>; <https://doi.org/10.1016/j.envres.2023.115937>; <https://doi.org/10.1016/j.scitotenv.2018.11.483>; <https://doi.org/10.1016/j.jacc.2020.10.023>; <https://doi.org/10.1097/EE9.0000000000000172>)

Production in New Mexico is concentrated primarily in the Permian Basin located in the southeast regional counties of Lea, Eddy, Chavez, and Roosevelt and in the San Juan Basin located in the northwest region that includes San Juan, Rio Arriba, Sandoval, and McKinley counties. Among these, Lea and Eddy counties are the highest producers of both oil and natural gas. These counties also have the highest number of active wells in the state. The

northwest region also produces natural gas in Harding and Union counties, but in much lesser amounts than the other two regions. (*New Mexico Oil and Gas Data Summary*. <https://www.shalexp.com/new-mexico>. Accessed 14 Jan. 2025).

The relationship between oil and gas production and public health in New Mexico is complex and multifaceted. While production is concentrated in specific counties within the southeast and northwest regions of the state, the associated environmental and health impacts may extend beyond these areas. (<https://nmtracking.doh.nm.gov>). Research underscores the link between activities and elevated levels of air pollutants such as ozone and PM<sub>2.5</sub>, which can exacerbate respiratory conditions like asthma. Analysis of asthma-related emergency department visits and hospitalizations reveals disproportionately high rates in several producing counties, particularly among children, further emphasizing the potential health burden (<https://nmtracking.doh.nm.gov>). However, attributing these health outcomes solely to production remains challenging due to confounding factors such as baseline health disparities, environmental conditions, and access to healthcare. More robust air quality monitoring and comprehensive health studies to ascertain the impacts of production on New Mexico's residents, particularly those in vulnerable communities, would be beneficial to characterizing the impacts of ozone and poor air quality. See below "Disparities" for more information on ozone monitoring and lack thereof.

The state department presumably most impacted by this bill is Energy, Minerals and Natural Resources Department. Departments that work on related matters are the Department of Health and the Environment Department.

LFC Recommendation Volume I, page 80, speaks about how New Mexico continues to see record levels of activity and state revenue from the oil and gas industry, as well as increased concern about the industry's impact on health and the environment. The regulatory agencies tasked with ensuring compliance have struggled to manage the increased workload: As production has ramped up, processing time and number of inspections have plateaued. Further on page 81: The proliferation of the oil and gas industry and fluctuating staff levels in the Air Quality Bureau (AQB), the Environment Department bureau tasked with permitting and regulating industries that emit air pollutants, has resulted in the need to process more permits and monitor more production centers. Due to this reality, AQB has had to contract out significant portions of its workload, and a backlog of permits has been created, which inhibits the ability of the bureau to monitor and regulate the industry. The growth of the oil and gas industry in the southeast and northwest sections of New Mexico has not been matched by an expanded AQB, resulting in an overworked and understaffed bureau tasked with monitoring the impact of nearly 73 thousand oil and gas wells has on the state's air quality

Exec Recommendations, page 152, speaks to how many citations are given and the recent increases.

## 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?  
 Yes  No  
If yes, describe how.
- Is this proposal related to the NMDOH Strategic Plan?  Yes  No
  - Goal 1:** We expand equitable access to services for all New Mexicans
  - Goal 3:** We improve health status for all New Mexicans

### 3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

### 4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH?  Yes  No

### 5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

HB33 is related to HB35 and HB34 which address environmental public health in relation to oil and gas production.

### 6. TECHNICAL ISSUES

Are there technical issues with the bill?  Yes  No

### 7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

### 8. DISPARITIES ISSUES

This bill would primarily impact counties of oil and gas production in counties within the Permian Basin located in the southeast region and the San Juan Basin located in the northwest region. Eddy County, a top producer, had the highest percent of days with ozone levels over the NAAQS from 2018 through 2022 (National Ambient Air Quality Standards).

Two counties in the San Juan Basin encompass much of the Navajo reservation in NM and are majority American Indian Alaska Native (AIAN) population: San Juan and McKinley are 44% and 81% AIAN, respectively, with poverty levels of 20% and 34% respectively. Three of the four New Mexico counties in the Permian Basin are majority Hispanic (Chaves, Eddy, and Lea counties) with poverty ranging from 17% to 20%.

Asthma:

- Among public health regions, the southeast has the highest age-adjusted rate of asthma-related ED visits (2018-2022) at 39.8 visits per 10,000 people, followed by the northwest at 31.3 visits per 10,000. (<https://nmtracking.doh.nm.gov>)
- The overall rate for asthma-related ED visits of NM children ages 0-17 from 2018 to 2022 is 36.1 visits per 10,000. For the same years, the southeast region had the highest rate of childhood asthma-related ED visits at 53.8 per 10,000 followed by the

northwest (41.1 per 10,000), southwest (37.7 per 10,000), northeast (34.9 per 10,000), and metro (27.3 per 10,000). (<https://nmtracking.doh.nm.gov>)

- Curiously, the regions with the highest asthma-related ED visits are also the highest oil and gas-producing regions. (<https://nmtracking.doh.nm.gov>)

Disparity in monitors: There are only nine counties in New Mexico with ozone monitoring with a total of 20 monitors, maintained and operated by the New Mexico Environment Department ([NMED](#)). However, not all oil and gas producing counties are represented. Chaves, McKinley and Roosevelt counties do not have ozone monitors, and therefore there is no way to tell if those counties exceed the national standard for ozone.

## **9. HEALTH IMPACT(S)**

The most vulnerable populations, such as those with lower SES, rural communities, children, and those with chronic conditions such as asthma would benefit the most from this bill.

HB33 would primarily impact counties of oil and gas production within the Permian Basin located in the southeast region and the San Juan Basin located in the northwest region. Populations of concern for health impacts are those that live near areas of production and people with known or potential risk for respiratory and breathing conditions such as asthma. Five oil and gas producing counties have childhood asthma ED visit rates ranging between 19-62% above the overall state rate:

- Chaves (58.4 per 10,000; 62% above overall state rate)
  - San Juan (53.6 per 10,000; 48% above overall state rate)
  - Roosevelt (51.2 per 10,000; 42% above overall state rate)
  - Lea (44.6 per 10,000; 24% above overall state rate)
  - Rio Arriba (43.0 per 10,000; 19% above overall state rate)
- (<https://nmtracking.doh.nm.gov>)

## **10. ALTERNATIVES**

None

## **11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

If HB33 is not enacted, construction of new gas and oil production in areas where ozone concentrations exceed ozone air quality standards could potentially continue.

## **12. AMENDMENTS**

None