

LFC Requester:	Davidson
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 02/06/2025 *Check all that apply:*
Bill Number: HB291 Original Correction
 Amendment Substitute

Sponsor: Romero **Agency Name and Code Number:** New Mexico Environmental Department 667
Person Writing: Rick Shean
Short Title: Recycling & State’s Circular Economy **Phone:** (505) 629-6494 **Email:** Rick.Shean@env.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	0	0
0	0	0	0

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	0	0
0	0	0	0	0

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	280	280	560	Recurring	RAID

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Amending the Recycling and Illegal Dumping (RAID) Act to promote the state's circular economy; updates the RAID grant eligibility to eliminate the priority of funding for tires, and the two-thirds requirement of RAID grant funding to be awarded to tire projects; allows New Mexico non-profits to apply for funding and eliminates the requirement that a facility receive 95% of waste from New Mexico sources. It requires the Environmental Improvement Board to adopt requirements and procedures for a person to submit rules to the board for adoption; and requires the board to determine whether to hold a hearing within sixty (60) days.

FISCAL IMPLICATIONS

This bill creates two positions in the Environment Department, a Recycling Education Coordinator and a Circular Economy Coordinator. NMED estimates these positions to cost \$280,000 annually, beginning in FY26. These positions are funded by the RAID fund, which was created to provide grants for tire, illegal dumping, and recycling projects for local governments and tribal entities from vehicle registration fees. The average yearly amount deposited into this fund over the last three years is \$1.016M. There have been historically unspent funds each year, as there are not always enough tire projects to make the two-thirds goal. NMED believes there is sufficient funding available on a recurrent basis to support these positions, which will develop, promote and implement programs that support the overall goals of the Recycling, Circular Economy, and Illegal Dumping Act.

SIGNIFICANT ISSUES

This modification and update of the RAID Act will allow NMED to expand eligible grant awards, develop full-time positions, and create and implement a circular economy plan. A Circular Economy approach uses industrial and economic activities to ensure resources are utilized to their highest potential and aims to eliminate waste and toxicity through better design of both products and systems. These changes serve as a foundation for dealing with hard-to-handle waste products that threaten public health and the environment, while attracting economic development.

The RAID grant program was created to address the serious issue of illegal dumping, especially of tires, in the State. Although NMED continually funds new projects for local governments and eligible entities to clean up these sites, new ones appear. This bill would allow the NMED and outside parties to approach the Environmental Improvement Board (EIB) with proposals that could be implemented through the rule-making process to address the handling of commonly dumped materials at end-of-life.

The RAID Alliance was created by the RAID Act to evaluate grant applications and award them according to a recycling plan. This amendment would direct the Alliance to work with staff to develop a Circular Economy plan, which widens the playing field and opens the doors to update

the approach to recycling and illegal dumping issues. Currently, the RAID Act directs these grant awards to give two-thirds of the funds to tire-related projects, and only one-third of the funds to other recycling projects. By eliminating this directive, NMED can work with eligible entities to address the issue in a more holistic way, with a goal of building markets, keeping resources in the state, and building a more Circular Economy.

HB 291 also proposes an allowance for additional entities to have access to RAID grant funds. This change will allow New Mexico non-profits, like the New Mexico Recycling Coalition, to apply for funds to support projects that will grow New Mexico's recycling markets. This change also opens up applications to all sources of waste, ensuring state-based facilities are able to propose innovative projects that have the proper equipment and infrastructure to protect our environment.

PERFORMANCE IMPLICATIONS

New performance measures will be developed with a current update to the State Solid Waste Management Plan; however, certain performance measures should be targeted within the Circular Economy Plan. These measures would be the targets by which RAID grant awards are measured against, both as part of the initial evaluation process, and for the end of each project.

ADMINISTRATIVE IMPLICATIONS

Any new state rule the Environment Department develops requires review and adoption by the Environmental Improvement Board through the rulemaking process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill will complement the Plastic Bag Ban that has not yet been introduced, which will reduce plastic litter and increase the use of reusable bags, and SB225 which will increase fines for illegal dumping specified in the RAID Act.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

This bill would allow NMED to approach the EIB with innovative ideas that would be implemented through the rule-making process. The alternative is to bring each of those through legislation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico has very few recycling manufacturers in the state, and the lack of end markets for materials collected through recycling programs limits the ability of local governments and waste management entities to offer affordable collection programs. The status quo of recycling vs. landfilling will likely continue if the state does not encourage the economic development needed to establish end markets.

Additionally, the ability to bring innovative ideas to the EIB may allow NMED to address hard-to-handle wastes in new ways, which could alleviate illegal dumping, and lessen the need for the two-thirds funding in RAID to address tires. Illegal dumping will likely continue as usual if we do not enact this bill.

Historically there have not been sufficient tire-related projects to spend the available grants in RAID fund to achieve the required two-thirds/one-third mix of approved applications. Most applications are by far more recycling proposals. Not enacting this bill will continue NMED's inability to fund all of the requests from local governments, tribal entities and solid waste authorities proposing to address their unique recycling needs. In turn, HB 291 provides a steady and dependable stream of materials that recycling manufacturers need to invest in our State.

AMENDMENTS

None.