

LFC Requester:

Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*(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:	02/24/2025	<i>Check all that apply:</i>			
Bill Number:	HB458	Original	<input checked="" type="checkbox"/>	Correction	<input type="checkbox"/>
		Amendment	<input type="checkbox"/>	Substitute	<input type="checkbox"/>

Sponsor	Dixon	Agency Name and Code Number:	NMED-667		
Short Title:	GEOLOGIC CARBON DIOXIDE STORAGE STEWARDSHIP ACT	Person Writing Analysis:	John Rhoderick		
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	0	

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

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

(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: (Similar to 2024 SB215; see also 2025 HB457) Cited as the “Geologic Carbon Dioxide Storage Stewardship Act,” creates a new section of law that permits transfer of stewardship of carbon dioxide sequestration facilities and units to the state. Authorizes the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department to issue certificates of completion of injection operations once certain requirements have been met. Obligates the state to long term maintenance and monitoring of sequestration sites upon certifying completion.

FISCAL IMPLICATIONS

No fiscal impacts to NMED.

SIGNIFICANT ISSUES

Underground sequestration of carbon dioxide provides a mechanism to deal with one of the chief greenhouse gasses in New Mexico. The Stewardship Act provides a mechanism for ensuring the long-term, permanent sequestration of carbon dioxide, provides revenue generated from industry to cover long-term maintenance and monitoring of the sequestration sites, and makes OCD responsible for maintenance and care once a certificate of completion is issued and the site is given over to OCD.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

HB458 provides the mechanism for long-term maintenance and control of sequestration sites meeting requirements that an applicant certify that there will be no contamination of groundwater due to the sequestration and requires them to identify all drinking water wells within the sequestration area boundaries and buffers. It is strongly recommended that OCD communicate with NMED regarding proposed sequestration areas and activities for groundwater quality tracking purposes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Similar to 2024 SB215; see also 2025 HB457) Cited as the “Geologic Carbon Dioxide Sequestration Act,” provides for the process of forming sequestration units for the injection of carbon dioxide into the earth to prevent its escape into the atmosphere. The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department is granted jurisdiction and authority to enforce the act and may adopt rules for its implementation.

TECHNICAL ISSUES

OCD should coordinate with New Mexico Environment Department on appropriate monitoring of groundwater and drinking water sources in the area when preparing to issue a certificate of closure.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

While sequestration of carbon dioxide in underground pore spaces may occur, the state will not have a mechanism to take control of the sites, and industry along with property owners will be responsible for maintenance and monitoring.

AMENDMENTS

None identified.