

LFC Requester:	Simon
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov 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: 1/23/2025 *Check all that apply:*
Bill Number: SB79 Original Correction
 Amendment Substitute

Sponsor:	William P. Soules	Agency Name and Code Number:	NMED-667	
Short Title:	Unleaded Aviation Fuel Grant Program	Person Writing Analysis:		Michael Ortiz, Bureau Chief Joe Godwin, PM -PSTB
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	5,000.0	Nonrecurring	GF

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(Parenthesis () Indicate Expenditure Decreases)

Relates to: 2024 SB120
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 79 (SB79) creates the Unleaded Aviation Fuel Grant Program, creates a fund, and appropriates \$5,000,000 to the Department of Transportation to be administered by the Aviation Department. The program shall award competitive grants of up to \$200,000 to applicants for the sole purpose of installing unleaded aviation fuel dispensing systems at an airport. Only publicly owned airports, political subdivisions of the state and Indian nations, tribes and pueblos are eligible to be awarded a grant.

FISCAL IMPLICATIONS

SB79 provides for installation of new systems only and has no provision for site investigation and remediation, if needed. Activity associated with potential cleanups would be handled through existing NMED programs. Costs to be determined on a site-by-site basis if remediation is required.

SIGNIFICANT ISSUES

SB79 provides a mechanism to positively impact public health near airports by reducing airborne lead contamination associated with leaded fuels.

Fuel systems and associated components such as tanks, lines, dispensers, leak detection are under the jurisdiction and registered with NMED’s Petroleum Storage Tank Bureau (PSTB), including demolition and removal of existing systems as well as installation of new equipment. Aboveground storage tank systems with capacities of 1,320 gallons and up to 54,999 gallons that contain petroleum products are regulated under 20.5 NMAC and underground storage tank systems with capacities greater than 110 gallons is also regulated under 20.5 NMAC. PSTB currently regulates airports and aviation facilities with 142 tank systems, both aboveground and underground, that are used to supply aviation fuel. PSTB does not have regulatory authority to regulate these types of tank systems on tribal and pueblos lands.

If “otherwise provide unleaded aviation fuel” fuel tanker trucks have a spill, then these spills would be regulated by NMED’s Ground Water Quality Bureau (GWQB) in accordance with 20.6.2.1203 NMAC.

PERFORMANCE IMPLICATIONS

The grant cap of \$200,000 will limit the size of the storage tank system that can be installed using these funds alone, it would probably limit grantees to aboveground storage tank systems that cost less to install than underground storage tank systems. Currently, a 12,000-gallon aboveground storage tank that meets the requirements of 20.5 NMAC by itself costs approximately \$100,000.

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The Unleaded Aviation Fuel Grant program creates an important tool to address one of the largest sources of lead pollution in the country. There are existing pollution prevention programs administered through NMED, including the U.S. Environmental Protection Agency's (EPA) Clean Water State Revolving Loan Fund (CWSRF), that may be eligible to supplement and expand the impact of the Unleaded Aviation Fuel Grant Program.

TECHNICAL ISSUES

GWQB is currently unaware of any groundwater contamination caused by lead deposition from exhaust in the vicinity of airports in New Mexico. A recent U.S. Geological Survey study has tied the presence of lead in shallow groundwater caused by lead aviation fuel through isotopic analysis; however, all groundwater concentrations were significantly less than the Water Quality Control Commission groundwater standard of 0.015 mg/L.

PSTB regulation 20.5.105 NMAC requires owners and operators to use a contractor who meets the requirements as a certified installer for the applicable type of tank, including aviation fuel tanks.

OTHER SUBSTANTIVE ISSUES

The Department of Transportation Aviation Division should consult with NMED PSTB on all proposed projects to ensure that existing regulatory requirements are met. Grant recipients replacing, repairing or modifying aviation fuel systems must notify the NMED prior to installation of a new system in accordance with 20.5.106 NMAC and 20.5.109 NMAC. Contamination discovered during installation activities must be reported to PSTB in accordance with 20.5.102 NMAC and the requirements in 20.5.118 NMAC. Other parts of 20.5 NMAC may be applicable for the installation of these storage tank systems.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Airports that are not currently offering unleaded aviation fuel to customers will continue to not

do so. The EPA found that the use of leaded aviation fuel in piston engine aircraft causes lead air pollution that can endanger public health (<https://www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-lead-emissions-aircraft>). The health impacts associated with continued use of leaded fuel for aviation are difficult to quantify but are likely to be substantial.

AMENDMENTS

None