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FISCAL IMPACT REPORT

SPONSOR <u>Chandler</u> SHORT TITLE <u>"Hazardous Waste Constituent" Definition</u>	LAST UPDATED _____ ORIGINAL DATE <u>01/31/2025</u> BILL NUMBER <u>House Bill 140</u> ANALYST <u>Chilton</u>
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ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMED	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Environment Department (NMED)

Agency Analysis was Solicited but Not Received From

New Mexico Attorney General (NMAG)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 140

House Bill 140 (HB140) modifies the Hazardous Waste Act (Section 74-4 NMSA 1978.) Section 1 of the bill adds a new definition to Section 74-4-1 for a “hazardous waste constituent”, defined as a substance meeting the (existing) definition of “hazardous waste” and identified by the Environmental Improvement Board (EIB) as being subject to corrective action.

Section 2 of the bill adds to EIB’s duties the making of rules regarding these hazardous waste constituents, removing a section of statute that currently limits EIB’s jurisdiction when a solid waste has not been listed by the federal Environmental Protection Agency (EPA) as a hazardous waste. The remainder of the list of EIB duties and responsibilities remains unchanged.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 140. The New Mexico Environment Department (NMED) expects no fiscal impact of this bill except possibly a savings of money once rules are finalized, protecting the state from costly cleanup of certain waste. NMED gives an example, noting that polychlorinated biphenyls (PCBs) and polyfluoroalkyl (PFAS) products, which the agency asserts would be included under HB140's definition of "hazardous waste constituent", are not subject to a federal EPA listing and that NMED has had to spend \$12 million to:

Establish the extent of the contamination that the US Department of Defense has avoided paying [for PFAS contamination cleanup]. In contrast, in the State of Texas, the U.S. Department of Defense amicably agreed to address PFAS contamination around one such U.S. Air Force Base, as the Texas Commission on Environmental Quality has broader authority than NMED. HB140 will correct this inequity that puts New Mexicans at greater risk than Texans.

SIGNIFICANT ISSUES

The federal EPA notes that PCBs "have significant toxic effects in animals, including non-human primates. PCBs can affect an animal's immune system, reproductive system, nervous system, and endocrine system. These compounds were widely used until 1979." The EPA also notes that current scientific research suggests that exposure to certain PFAS may lead to adverse health outcomes.

NMED further clarifies the relationship between that agency and the federal EPA:

Under a primacy agreement between the U.S. EPA and the State of New Mexico, NMED implements the Hazardous Waste Act (NMSA 1978, § 74-4-1). States that receive final EPA authorization must maintain a hazardous waste program that is equivalent to, consistent with, and no less stringent than the Federal Hazardous Waste Program. This means that HB140 will not grant NMED the authority to regulate any waste inconsistent with laws and rules. Such wastes currently excluded from federal hazardous waste regulation and therefore state hazardous waste regulations include: scrap metals, agricultural wastes, mining wastes, oil and gas wastes, etc.

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