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44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO THE ENVIRONMENT; AMENDING THE AIR QUALITY CONTROL ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 74-2-2 NMSA 1978 (being Laws 1967, Chapter 277, Section 2, as amended) is amended to read:

"74-2-2. DEFINITIONS.--As used in the Air Quality Control Act:

A. "air contaminant" means any substance, including [but not limited to] any particulate matter, fly ash, dust, fumes, gas, mist, smoke, vapor, micro-organisms, radioactive material, any combination [thereof] or any decay or reaction product thereof;

B. "air pollution" means the emission, except emission that occurs in nature, into the outdoor atmosphere of .127573.1

one or more air contaminants in quantities and of a duration that may with reasonable probability injure human health or animal or plant life or as may unreasonably interfere with the public welfare, visibility or the reasonable use of property;

- C. "department" means the department of environment;
- D. "director" means the administrative head of a local agency;
- E. "emission limitation" [and] or "emission standard" [mean] means a requirement established by the environmental improvement board or the local board, the department, the local authority or the local agency or [pursuant to the federal act] by the federal environmental protection agency that limits the quantity, rate or concentration, or combination thereof, of emissions of air contaminants on a continuous basis, including any requirements relating to the operation or maintenance of a source to [assure] ensure continuous reduction and any design, equipment, work practice or operational standard adopted pursuant to the Air Quality Control Act or the federal act;
- F. "federal act" means the federal Clean Air Act, 42 U.S.C. Sections 7401, et. seq., its subsequent amendments and successor provisions;
- G. "federal standard of performance" means any standard of performance, emission limitation or emission . 127573.1

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standard adopted pursuant to [42 U.S.C. Section 7411 or 7412] Section 111 or 112 of the federal act;

- "hazardous air pollutant" means an air H. contaminant that has been [classified] listed as a hazardous air pollutant pursuant to Section 112(b) of the federal act;
- "local agency" means the administrative agency established by a local authority pursuant to Paragraph (2) of Subsection A of Section 74-2-4 NMSA 1978;
- "local authority" means any of the following J. political subdivisions of the state that have, by following the procedure set forth in Subsection A of Section 74-2-4 NMSA 1978, assumed jurisdiction for local administration and enforcement of the Air Quality Control Act:
- a county that was a class A county as of January 1, 1980; or
- **(2)** a municipality with a population greater than one hundred thousand located within a county that was a class A county as of January 1, 1980;
- K. "local board" means a municipal, county or joint air quality control board created by any local authority;
- "mandatory class I area" means any of the L. following areas in this state that were in existence on August 7, 1977:
- **(1)** national wilderness areas that exceed . 127573. 1

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five thousand acres in size; and

(2) national parks that exceed six thousand acres in size:

M "modification" means any physical change in, or change in the method of operation of, a source that results in an increase in the potential emission rate of any regulated air contaminant emitted by the source or that results in the emission of any regulated air contaminant not previously emitted, but does not include:

- (1) a change in ownership of the source;
- (2) routine maintenance, repair or replacement;
- (3) installation of air pollution control equipment, and all related process equipment and materials necessary for its operation, undertaken for the purpose of complying with regulations adopted by the environmental improvement board or the local board or [pursuant to the federal act] by the federal environmental protection agency; or
- (4) unless previously limited by enforceable permit conditions:
- (a) an increase in the production rate,if such increase does not exceed the operating design capacityof the source;
 - (b) an increase in the hours of

operation; or

(c) use of an alternative fuel or raw material if, prior to January 6, 1975, the source was capable of accommodating such fuel or raw material or if use of an alternate fuel or raw material is caused by any natural gas curtailment or emergency allocation or any other lack of supply of natural gas;

- N. "nonattainment area" means for any air contaminant an area that is designated "nonattainment" with respect to that contaminant within the meaning of Section 107(d) of the federal act;
- 0. "person" includes an individual, partnership, corporation, association, the state or political subdivision of the state and any agency, department or instrumentality of the United States and any of their officers, agents or employees;
- P. "potential emission rate" means the emission rate of a source at its maximum capacity to emit a regulated air contaminant under its physical and operational design in the absence of air pollution control equipment that is not vital to production of the normal product of the source or to its normal operation. Any physical or operational limitation on the capacity of the source to emit a regulated air contaminant, including air pollution control equipment not vital to production of the normal product or to normal

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operation, and restrictions on hours of operation or on the

type or amount of material combusted, stored or processed,

shall be treated as part of its physical and operational

design if the limitation or the effect it would have on

emissions is enforceable pursuant or the Air Quality Control

Act or is federally enforceable;

- Q. "regulated air contaminant" means any air contaminant, the emission or ambient concentration of which is regulated pursuant to the Air Quality Control Act or the federal act;
 - R. "secretary" means the secretary of environment;
- S. "significant deterioration" means any increase in the ambient concentrations of any air contaminant above the levels allowed by the federal act or federal regulations for that air contaminant in the area within which the increase occurs:
- T. "source" means any structure, building, equipment, facility, installation or operation that emits or may emit any air contaminant;
- U. "standard of performance" means a requirement of continuous emission reduction, including any requirement relating to operation or maintenance of a source to [assure] ensure continuous emission reduction;
- V. "state implementation plan" means any plan submitted by New Mexico to the federal environmental

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protecti on	agency pursuant	to [42	U. S. C.	Section	7410]	Section Section
110 of the	federal act; an	d				

W. "toxic air pollutant" means any air contaminant, except a hazardous air pollutant, classified by the environmental improvement board or the local board as a toxic air pollutant."

Section 2. Section 74-2-7 NMSA 1978 (being Laws 1972, Chapter 51, Section 4, as amended) is amended to read:

"74-2-7. PERMITS--PERMIT APPEALS TO THE ENVIRONMENTAL IMPROVEMENT BOARD OR THE LOCAL BOARD--PERMIT FEES.--

A. By regulation, the environmental improvement board or the local board shall require:

- (1) any person intending to construct or modify any source, except as otherwise specifically provided by regulation, to obtain a construction permit from the department or the local agency prior to such construction or modification; and
- (2) any person intending to operate any source for which an operating permit is required by [the 1990 amendments to] the federal act, except as otherwise specifically provided by regulation, to obtain an operating permit from the department or the local agency.
- B. Regulations adopted by the environmental improvement board or the local board shall include at least the following [provisions]:

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(1) requirements for <u>permit applications</u>, <u>including requirements for</u> the submission of relevant information, [<u>including but not limited to information</u>] the department or the local agency deems necessary to [<u>ensure</u> that] determine:

(a) whether the applicable standards, regulations and [standards under] requirements pursuant to the Air Quality Control Act or the federal act will not be violated; and

(b) the amount of applicable fees;

- (2) specification of the deadlines for processing permit applications; provided the deadline for a final decision by the department or the local agency on a construction permit application may not exceed:
- (a) one hundred eighty days after the application is determined to be complete, if the application is not [affected by requirements for prevention of] subject to regulation to prevent significant deterioration of air quality; or
- (b) two hundred forty days after the application is determined to be complete, if the application is [affected by requirements for prevention of] subject to regulations to prevent significant deterioration of air quality;
 - (3) specification of the public notice,

comment period and public	heari ng,	if any,	requi	red prior	to
the issuance of a permit;	provi ded	the [pe	rmi t]	regul ati oı	าร
adopted:					

- (a) by the environmental improvement board shall include provisions governing notice to nearby states; and
- (b) by any local board shall include provisions requiring that notice be given to the department of all permit applications by any source that emits, or has a potential emission rate of, one hundred tons per year or more of any regulated air contaminant, including any source of fugitive emissions of each regulated air contaminant, at least sixty days prior to the date on which construction or major modification is to commence;
- (4) a schedule of construction permit fees sufficient to cover:
- (a) the reasonable costs of reviewing and acting upon any application for such permit; and
- (b) the reasonable costs of implementing and enforcing the terms and conditions of the permit, excluding any court costs or other costs associated with an enforcement action;
- (5) a schedule of emission fees consistent with the provisions of Section 502(b)(3) of [the 1990 amendments to] the federal act;

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- (6) specification of the maximum length of time for which a permit shall be valid; provided that for an operating permit, such period may not exceed five years; [and]
 - (7) for an operating permit only:
- (a) provisions consistent with Sections 502(b) and 505(b) of the federal act providing: 1) notice to and review and comment by the [United States] federal environmental protection agency; and 2) that if the department or local agency receives notice of objection from the [United States] federal environmental protection agency before the operating permit is issued, the department or the local agency shall not issue the permit unless it is revised and issued under Section 505(c) of the federal act;
- (b) provisions governing renewal of the operating permit; and
- (c) specification of the conditions under which the operating permit may be terminated, modified or revoked and reissued prior to the expiration of the term of the operating permit; and
- (8) construction permits only, specification of the conditions under which the construction permit may be terminated, modified or revoked.
- C. The department or the local agency may deny any application for:
 - (1) a construction permit if it appears that

the	construction	\mathbf{or}	modification:
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(a) will not meet applicable <u>standards</u>, <u>regulations or</u> requirements [of] <u>pursuant to</u> the Air Quality

Control Act <u>or</u> the federal act; [or any regulation adopted <u>pursuant to either; or</u>

(2) an operating permit if:

(a) the source for which the permit is sought will emit a hazardous air pollutant or any air contaminant in excess of a federal standard of performance or a regulation of the environmental improvement board or the local board

(b) [it appears that the source for which the permit is sought] will cause or contribute to air contaminant levels in excess of any national or state ambient air quality standard or, within the boundaries of a local authority, applicable local ambient air quality standards; or

(c) <u>will violate</u> any other provision of the Air Quality Control Act or the federal act [will be violated]; <u>and</u>

(2) an operating permit if the source will not meet the applicable standards, regulations or requirements under the Air Quality Control Act or the federal act.

D. The department or the local agency may specify terms and conditions to any permit granted under this section, including:

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(a) a requirement that such source install and operate control technology, determined on a case-by-case basis, sufficient to meet the <u>applicable standards</u>, regulations and requirements [of] pursuant to the Air Quality Control Act and the federal act; [and regulations promulgated pursuant to either; and

(2) for an operating permit:

(a) imposition of [b] individual emission limits, determined on a case-by-case basis, but only as restrictive as necessary to [meet the] ensure compliance with the applicable standards, regulations and requirements [of] pursuant to the Air Quality Control Act and the federal act or the emission rate specified in the [operating] permit application, whichever is more stringent;

(c) at the request of the applicant,
emission limitations and other conditions that are more
stringent than necessary to ensure compliance with the
applicable standards, regulations and requirements pursuant to
the Air Quality Control Act and the federal act, including
enforceable conditions to limit the potential emission rate of
the sources;

[(b)] (d) compliance with applicable federal standards of performance;

[(e) imposition of] <u>(e)</u> reasonable

restrictions and limitations not relating to emission limits or emission rates; or

 $[\frac{d}{d}]$ any combination of the <u>terms</u> and conditions listed above; and

- (2) for an operating permit, terms and conditions sufficient to ensure compliance with the applicable standards, regulations and requirements pursuant to the Air Quality Control Act and the federal act, including pertinent terms and conditions in a construction permit, as determined by the department or the local agency.
- E. This section does not authorize the department or the local agency to require the use of machinery, devices or equipment from a particular manufacturer if the federal standards of performance, state regulations and permit conditions may be met by machinery, devices or equipment otherwise available.
- F. The issuance of a permit does not relieve any person from the responsibility of complying with the provisions of the Air Quality Control Act and any applicable regulations of the environmental improvement board or the local board. Any <u>terms or</u> conditions [placed upon] specified <u>in</u> a permit by the department or the local agency shall be enforceable to the same extent as a regulation of its board.
- G. Any person who participated in a permitting action before the department or the local agency shall be .127573.1

notified by the department or the local agency of the action taken and the reasons for the action. Notification of the applicant shall be by certified mail.

II. Any person who participated in a permitting action before the department or the local agency and who is adversely affected by such permitting action may file a petition for hearing before the environmental improvement board or the local board. The petition shall be made in writing to the environmental improvement board or the local board within thirty days from the date notice is given of the department's or the local agency's action. Unless a timely [request] petition for hearing is made, the decision of the department or the local agency shall be final.

I. If a timely petition for hearing is made, the environmental improvement board or the local board shall hold a hearing within ninety days after receipt of the petition. The environmental improvement board or the local board shall notify the petitioner and the applicant or permittee, if other than the petitioner, by certified mail of the date, time and place of the hearing. If the subject of the petition is a permitting action deemed by the environmental improvement board or the local board to substantially affect the public interest, the environmental improvement board or the local board shall ensure that the public receives notice of the date, time and place of the hearing. The public in such

circumstances shall also be given a reasonable opportunity to submit data, views or arguments orally or in writing and to examine witnesses testifying at the hearing. Any person submitting data, views or arguments orally or in writing shall be subject to examination at the hearing.

- J. The environmental improvement board or the local board may designate a hearing officer to take evidence in the hearing. All hearings shall be recorded.
- K. The burden of proof shall be upon the petitioner. Based upon the evidence presented at the hearing, the environmental improvement board or the local board shall sustain, modify or reverse the action of the department or the local agency respectively.
- L. Notwithstanding any other provision of law and subject to the provisions of Section 74-2-4 NMSA 1978, a final decision on a permit by the department, the environmental improvement board, the local agency, the local board or the court of appeals that a [new] source will or will not meet applicable local, state and federal air pollution standards and regulations shall be conclusive and is binding on every other state agency and as an issue before any other state agency shall be deemed resolved in accordance with that final decision.

M Subject to the provisions of Section 74-2-4

NMSA 1978, if the local board has adopted a permit regulation
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pursuant to this section, persons [constructing or modifying any new source] intending to construct or modify a source or to operate a source for which a construction permit or an operating permit is required within the boundaries of the local authority shall obtain a permit from the local agency and not from the department.

- N. Fees collected pursuant to this section shall be deposited in:
- (1) the state air quality permit fund created by Section 74-2-15 NMSA 1978 if collected by the department; or
- (2) a fund created pursuant to Section
 74-2-16 NMSA 1978 if collected by a local agency pursuant to a permit regulation adopted by the local board pursuant to this section."

Section 3. TEMPORARY PROVISION--EFFECT OF EXISTING REGULATIONS.--A regulation of the environmental improvement board or a local board that is inconsistent with this act shall remain in full force and effect until amended or repealed.

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