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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/09

SPONSOR Lovejoy LAST UPDATED _____ HB _____

SHORT TITLE Urge Cleanup of Federal Uranium Mines SB SJM15

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to: Relates to HB84, SB224, SB222, HJM6.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

New Mexico Department of Health (DOH)

No Response Received From

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 15 resolves that the U.S. Congress be requested to: (i) allocate a significant percentage of the proceeds from the sale of excess uranium inventory to New Mexico for the cleanup of abandoned uranium mines and (ii) amend the federal Surface Mining Control and Reclamation Act to allow federal abandoned mine funds to be available for the cleanup of abandoned uranium mines.

SJM 15 outlines the need to reclaim uranium mines from the past, the responsibility of the federal government to assist the cleanup based on the government's purchase of uranium from many of the mines, the federal government's program to sell a portion of its excess uranium inventories and the restrictions placed on current federal funds for abandoned mine cleanup.

There is no appropriation attached to this legislation.

FISCAL IMPLICATIONS

The resolution encourages a distribution of federal funds to New Mexico, earmarked for uranium cleanup.

SIGNIFICANT ISSUES

EMNRD indicates that there is a need to fund the cleanup of abandoned uranium mine sites in New Mexico. During the uranium “boom” from the 1950s to the early 1980s, New Mexico was the largest producer of uranium in the world. However, at the time, there were few, if any, regulatory controls that required uranium mines and mills to be reclaimed. As noted in SJM 15, Energy, Minerals and Natural Resources Department (EMNRD) (the Mining and Minerals Division) has begun to inventory and assess abandoned uranium mines and the extent of potential hazards to the public. EMNRD has identified approximately 259 mines where uranium production occurred. Of these mines, more than half have no records of any reclamation having been conducted. In addition, EMNRD estimates there are another 400 to 500 sites with uranium mining activity where there is no record of production. Most of the mines occurred in the area of the “Grants uranium belt” north of I-40, between Gallup and Grants. EMNRD has begun to conduct fieldwork to assess the amount of work necessary to reclaim these sites. The New Mexico Environment Department also is assessing potential groundwater contamination at a number of former uranium mines and mills. Additionally, EMNRD notes”

- Estimating the cost of cleaning up these mines is difficult. Current cleanups at large mines and mills have sometimes cost in the tens of millions and, rarely, in the hundreds of millions. On the other hand, many of the unreclaimed mines identified by EMNRD are smaller and may cost less than \$1 million each to reclaim if there are no groundwater contamination issues and the mine waste could be reclaimed in place.
- There is no current source of funding to allow for significant cleanup work at many abandoned uranium mines. At some mines where the State can assert jurisdiction under the Water Quality Act or the Mining Act, responsible parties can be required to conduct cleanups. However, at many older mines there are no remaining responsible parties or the State is unable to assert jurisdiction.
- There is a very limited amount of federal funding for abandoned mines under the Surface Mining Control and Reclamation Act (SMCRA). However, the Bush Administration recently changed its interpretation of the law to only allow funding of abandoned coal mines with most of that money. SJM 15 correctly notes that bills were introduced in the last session of congress by New Mexico’s delegation to change that interpretation and give greater flexibility in how that money can be spent.

EMNRD concludes by stating that, “It is unknown how much money could be allocated to the state from the sales of excess federal uranium inventories; however the amount is likely far less than is needed for the cleanup of abandoned uranium mines. The legislature may want to combine this approach with other efforts to fund the cleanup of uranium mines.”

As background, DOH advises that uranium mining operations were prevalent in New Mexico. Beginning in the 1950s and 1960s and continuing through the 1990s, a number of private companies began extensive exploration, mining, and milling of the uranium deposits in New

Mexico. These activities took place on private, state, federal, and tribal lands. More than 1,200 abandoned uranium mines have so far been documented on the Navajo Nation (Grey RM, Tsingine R., and Yazzie MH: *Navajo AML Reclamation Program. Presentation to Navajo Abandoned Uranium Mines Collaboration Annual Meeting*, May 1, 2003). About half of those sites may require environmental restoration. In addition, the New Mexico Bureau of Geology documented 123 abandoned uranium mines in Cibola County, 358 in McKinley County, and 109 in Sandoval County (McLemore, et al., *New Mexico Bureau of Geology and Mineral Resources, Open-file Report 461*, 2002). About half of those mines were developed and operated in the Grants Mineral Belt between 1950 and the early-1990s, generating 38 million tons of ore by 1970 (McLemore and Chenoweth, *New Mexico Bureau of Geology and Mineral Resources, Open-file Report 353*, Revised December 1991).

Further, as a result of these uranium mining activities, hundreds of abandoned, un-remediated uranium mines exist in New Mexico communities, including a large number of Native American communities. State and federal studies have shown that surface water, groundwater, soils, and biota remain substantially contaminated by past uranium mining and milling activities. The radioactive and hazardous waste piles generated by the mining operations may affect the health of residents when drinking contaminated water, breathing contaminated air, or eating contaminated agricultural crops, produce, and livestock (Brugge and Goble, *American Journal of Public Health*, 2002; Lapham, Millard, and Samet, *Health Physics*, 1989).

DOH suggests that, “SJM15 would provide a mechanism for cleanup and closure of abandoned uranium mines in New Mexico. This would reduce negative impacts of past uranium mining on New Mexico’s natural resources and the health of its communities.”

PERFORMANCE IMPLICATIONS

EMNRD suggest that there are no direct implications from SJM 15; however, if congress acts on the requests in SJM 15, it will allow the state to pursue needed cleanups of abandoned uranium mines.

ADMINISTRATIVE IMPLICATIONS

EMNRD notes that an influx of funds to cleanup projects will increase EMNRD’s activities and oversight responsibilities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

EMNRD advises that SJM 15 relates to other measures to provide funding for the inventory and cleanup of abandoned uranium mines: HB 84 provides a surtax on future uranium production to fund uranium cleanups and SB 224 provides some funding for the current inventory of abandoned uranium mines.

DOH remarks on a number of related legislative initiatives:

- HB84 Uranium Legacy Cleanup Act, which proposes to enact the Uranium Legacy Cleanup Act to be administered by the Department of Energy, Minerals and Natural Resources that would administer the act including oversight of cleanup actions and create revenue to fund cleanup activities.

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- SB223, which proposes to appropriate \$200,000 from the General Fund to DOH in FY10 and FY11 to conduct a comprehensive study of the adverse effects on human health resulting from contamination from past uranium mining and milling activities in New Mexico.
- SB224, which proposes to appropriate \$300,000 from the General Fund to the Department of Energy, Minerals and Natural Resources in FY10 and FY11 complete inventory of abandoned uranium mining sites, characterize the extent of contamination at those sites, and estimate cost of cleaning up contamination.
- HJM6, which proposes to appoint a Uranium Mining Task Force to continue a study of statutory and regulatory changes necessary to protect New Mexico's natural resources from adverse environmental impacts that could result from the implementation of new uranium mining techniques

OTHER SUBSTANTIVE ISSUES

DOH advises that, “Communities with the greatest number of uranium mining operations have more Native American, Hispanic and low income residents than other communities. Residents often do not have resources – legal, financial, or social – to protect themselves. Thus, communities that are affected significantly by negative impacts of uranium mining practices do not have a means to prevent the disparate and potentially negative public health, environmental and cultural impacts.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EMNRD notes, “State agencies will continue to inventory and assess abandoned uranium mines with their current limited funding and continue to look for other sources of funding for the cleanup of these sites.”

AMENDMENTS

None suggested.

BW/svb/mc