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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/13
LAST UPDATED 03/04/13 **HM** 56

SPONSOR Steinborn

SHORT TITLE Study Potential for Product Stewardship Program **SB** _____

ANALYST Chavez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environmental Department (NMED)

SUMMARY

Synopsis of Bill

House Memorial 56 requests the New Mexico Environment Department (NMED) to create a task force to study the potential for product stewardship in New Mexico.

HM 56 also calls for a task force report to be produced by December 1, 2013 which would include recommendations for products and product categories that may be appropriately managed under a product stewardship program, establishing new product stewardship programs and changes to existing products stewardship programs, and any changes to statute necessary to facilitate product stewardship goals.

HM 56 also requests that NMED facilitate the establishment of any existing national product stewardship programs in New Mexico to the extent that those programs would be willing to be set up in the state.

Finally, HB 56 asks the NMED to identify products or product categories as candidates for a product stewardship program if they meet certain criteria.

FISCAL IMPLICATIONS

The NMED notes that facilitation of a task force and producing a report would not require additional financial and technical staff resources from NMED. The department will hold stakeholder meetings and complete a report of findings and recommendations as part of our regular duties. Additional funding is not necessary to successfully complete the effort.

SIGNIFICANT ISSUES

The NMED states that the U.S. EPA defines “product stewardship” as a product-centered approach to environmental protection. When a customer enters a retail establishment and sees a box where he can dispose of old cell phones, rechargeable batteries, or ink jet cartridges, he is seeing “product stewardship” in action. Also known as extended product responsibility (EPR), product stewardship calls on those in the product life cycle—manufacturers, retailers, users, and disposers—to work together to reduce the environmental impacts of certain products.

Some local governments and four states have adopted EPR resolutions based on a model produced by Product Policy Institute. Product Stewardship and EPR resolutions have also been adopted by the National League of Cities and the National Association of Counties. As a result, there are ample examples of product stewardship resolutions and legislation framework principles to use as guides.

EPR programs are primarily targeted to consumers to involve them in alternative waste management strategies such as manufacturer take-back programs and product recycling. These programs can reduce the amount of hazardous materials entering landfills, increase recycling of precious metals or materials that have value, reduce contamination that can pollute ground and surface water, and prevent improper disposal. Common products involved in such programs include electronics, fluorescent light bulbs, paint, household hazardous waste, carpet, and pharmaceuticals.

Establishment and success of a product stewardship program would require strong partnership among governmental entities, recycling facilities, solid waste and recycling associations, waste management facilities, retailers, and other public interest groups throughout New Mexico and the US. For example, in addition to NMED, assistance could be available through groups such as the New Mexico Recycling Coalition, Solid Waste Management Association, National Retail Association, Texas Product Stewardship Council, the National Pollution Prevention Roundtable, and the national Product Stewardship Institute.

KC/blm