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FISCAL IMPACT REPORT

SPONSOR Alcon ORIGINAL DATE 02/02/14
 LAST UPDATED _____ HJM 19

SHORT TITLE Nuclear Task Force SB _____

ANALYST Clark

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal			General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 19 requests the governor commission a nuclear task force composed of cabinet secretaries focused on economic development, environment, energy, and health, pertinent policy advisors from the governor’s office, and economic development leaders in the state to facilitate nuclear economic development opportunities. The task force would form a technical subcommittee of scientists to identify nuclear opportunities in the state and a stakeholder advisory subcommittee of economic development entities and local governments to implement the recommendations of the technical subcommittee.

FISCAL IMPLICATIONS

There would be minimal administrative costs and travel expenses for the agencies participating in the task force.

SIGNIFICANT ISSUES

The Economic Development Department (EDD) provides the following analysis.

The state's role in nuclear energy dates back as far as the Manhattan Project at Los Alamos and now includes two large private-sector entities, the Waste Isolation Pilot Plant and URENCO. Despite this history and success there has never been a coordinated effort to utilize these assets to create new jobs and wealth by courting this industry. New Mexico has one of the richest uranium deposits in the United States and was a leading producer of uranium during the 1950s, 1960s, and 1970s. Between 2000 and 2011, the price of uranium increased from \$6 to \$51.50 per pound. An expectation for rising demand represents an opportunity for New Mexico. McKinley and Cibola Counties have the most significant deposits of uranium in the state, and McKinley County lost 4.4 percent of its population between 2000 and 2010. These counties are also relatively poor compared to others in the state and nation. The mining industry is consistently ranked in the top two industries for the highest average weekly wage of all major sectors by the Workforce Solutions Department, and mining uranium would bring significant new wealth to the state and the workforce. The vast reserves here (estimated by the U. S. Department of Energy to be about 341 million pounds) represent tremendous economic development opportunities in both extraction and associated industries such as URENCO.

The Department of Health (DOH) provides the following analysis in its response.

Job recovery remains important in New Mexico. Nuclear development is a key opportunity to expand jobs in the state due to the significant number of nuclear-related government and private entities. State power demands also support the development of clean nuclear reactors which produce less pollution than coal. However, working with nuclear materials could inadvertently cause a health-related incident. Therefore, environmental and health consequences of nuclear development would be important issues for this task force. According to the World Nuclear Association, solid high-level waste from nuclear power stations is very radioactive, so this waste must be isolated from people and the environment. One possible consideration for the task force resulting from HJM 19 is that human and environmental health be considered when making recommendations and decisions regarding nuclear development in New Mexico.

ADMINISTRATIVE IMPLICATIONS

There would be minimal administrative requirements for the agencies participating in the task force.

JC/jl