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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/14

SPONSOR Sanchez, M **LAST UPDATED** _____ **HM** _____

SHORT TITLE Municipal Waste Recycling **SM** 64

ANALYST McCoy

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$7.5				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Memorial 51.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of Bill

Senate Memorial 64 requests that the New Mexico Environment Department (NMED) convene a task force to analyze the existing recycling capacity in New Mexico and the potential to increase that capacity. The memorial also requests the taskforce develop recommendations for legislative and state agency actions designed to enable New Mexico to attain the fifty percent recycling rate goal established in the Solid Waste Act, including budget recommendations and a projected timeline. The task force would include representatives from government, non-profit organizations, and businesses with technical expertise in solid waste and recycling management, and would report its findings and recommendations regarding possible legislative and state agency actions to an interim legislative committee by November 1, 2014.

FISCAL IMPLICATIONS

The NMED estimates, costs in terms of staff time and resources for administering at least three task force meetings, summarizing comments, and preparing final report is \$7,500. The NMED reports, SM 64 would require that at least one NMED staff member be assigned to coordinate this effort and potentially another staff member to participate as a task force member. The agency currently has a vacancy rate of 18.3 percent, a total of 121 vacant positions.

SIGNIFICANT ISSUES

The NMED notes, the state Solid Waste Management Plan is already in the process of being revised. The NMED has already been working in partnership with solid waste stakeholders. The NMED reports, the Solid Waste Act, as amended in 1990, set recycling rate goals of 25 percent by July 1995 and 50 percent by July 2000. NMSA 1978, § 74-9-6(J). These goals have not been met, and the statewide recycling rate was 16 percent in 2013. While progress has been made toward reaching these goals via implementation of many residential curbside or drop-off recycling collection programs at the county, municipal, town, and village levels, reaching the established goals is not possible without significant growth of state agency and business recycling efforts which are in their infancy or have stalled. Increasing the statewide recycling rate would decrease the cost to dispose of municipal solid waste in landfills, a cost borne mainly by local governments.

According to NMED, increased recycling could also create jobs and reclaim material that would be a revenue source for local entities.

NMED notes, aside from growth in agency and business recycling efforts, a significant barrier to recycling growth in New Mexico is the lack of end users/markets for recycled materials in the state or in nearby states. Without additional manufacturing or businesses that use recycled materials as feedstocks, the transportation cost to send recyclables to an end market often negates the value of the materials recovered, which inhibits recycling from the state. Additionally, annual costs for recycling services vary in cities, towns, villages, counties, and unincorporated areas in New Mexico. In a period of tight budgets, government agencies may not have the necessary budget capacity to implement diversion and recycling programs, contract for collection services, or to deliver recyclable materials to local recycling collection centers.

DUPLICATION

Senate Memorial 64 duplicates House Memorial 51.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NMED reports, if this memorial is not adopted, the state Solid Waste Plan, now in the process of revision, will include recommendations for increasing recycling. Additionally, other working groups, interested citizens and other federal, state, and local governments will continue working to increase recycling in the state.

MTM/ds