F I S C A L   I M P A C T   R E P O R T

BILL NUMBER: House Bill 153

SHORT TITLE: Low Carbon Construction Material Rebate Act

SPONSOR: Dixon/Ortez

LAST UPDATE: **ORIGINAL DATE:** 1/27/26   **ANALYST:** Davidson

APPROPRIATION*
(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	$25,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 152

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Energy, Minerals and Natural Resources Department

Agency or Agencies That Were Asked for Analysis but did not Respond
Environment Department
Department of Finance and Administration

SUMMARY

Synopsis of House Bill 153

House Bill 153 (HB153) appropriates $25 million from the general fund to the to-be-created Low-Carbon Construction Material Rebate Act (managed by the Environment Department) for the purpose of providing rebates and other financial incentives for low-carbon construction material purchased by material buyers.

The effective date of this bill is July 1st, 2026.

FISCAL IMPLICATIONS

The appropriation of $25 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining shall not revert. Although House Bill 153 does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, it is possible the cost

could recur in years beyond the forecast period. This bill creates a new fund and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

EMNRD analysis notes existing green building frameworks, such as LEED v5, already provide clear performance thresholds that projects can follow to earn points toward certification of environmental product declarations and designations. EMNRD also points out LEED v5's framework has a broader, project-wide pathway:

> Instead of evaluating each material separately, it allows projects to demonstrate global warming potential reductions through a project-average approach, awarding even greater credit when the overall material package achieves a 20 percent or 40 percent reduction in global warming potential.

Due to an already existing framework for projects to take advantage of financial incentives to utilize green building materials, creating an additional state program could be duplicative and could be not as broad or project-wide as the existing framework.

EMNRD recommends aligning the potential state benchmarks to the existing LEED v5 framework could help in ensure "consistency, market clarity, and a strong foundation for accelerating embodied carbon reductions across the built environment in New Mexico."

EMNRD also points to existing programs in the agency that work to reduce emissions from the building sector and incentivize green building practices, such as the Community Energy Efficiency Development Program (CEED), Energy Savings Performance Contracts (ESCO), the Energy Efficiency Revolving Loan Fund (EERLF), Home Energy Efficiency Rebates (HEAR), Home Efficiency Rebates (HER), and the Sustainable Buildings Tax Credit (SBTC). While EMNRD finds the bill could build on these programs, there is also the potential the program could be underutilized, due to existing private frameworks in place and the multitude of existing state programs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 153 is closely related to HB152, which establishes the Environmental Product Declaration Act and sets up the Environmental Product Declaration Program within NMED.

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