FISCAL IMPACT REPORT

BILL NUMBER: House Memorial 45
SHORT TITLE: Importance of Water in Taos

SPONSOR: Sanchez
LAST UPDATE: **ORIGINAL DATE:** 2/4/26 **ANALYST:** Davidson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMED	Choose an item.	Up to $25	No fiscal impact	Up to $25	Nonrecurring	**General Fund**

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

House Memorial 45 is a duplicate of Senate Memorial 11.

Sources of Information

LFC Files

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Memorial 45

House Memorial 45 (HM45) requests the Water Quality Control Commission (WQCC) to consider the scientific evidence regarding the reuse of treated produced water and then requests the petition of Taos County within ninety days of receipt of said petition that hearings held in relation to the petition be held in Questa.

The bill also requests copies of the memorial to be submitted to the secretaries of the Department of the Environment, Economic Development, the State Engineer, Director of the Interstate Stream Commission, the governor, the mayor of Questa, and other representatives of Taos County

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

Memorials do not contain appropriations and are not enforceable as state law. The study requested in this memorial is within the normal operations of the agencies involved and is unlikely to result in significant costs. However, the study requested in this memorial could be duplicative of already existing studies and or working groups within the agency and could result in additional, potentially duplicative time and financial costs for the agency.

The commission, administratively within NMED, could need additional contract funding to implement the memorial.

SIGNIFICANT ISSUES

WQCC is already tasked with, per its statute and the Produced Water Act, considering the potential uses of treated produced water. Multiple petitions from the state and private groups have been made to WQCC to expand the use of treated produced water beyond its current statutory bounds, though no expansion has been granted. The memorial could potentially be duplicative of existing statute and law.

Produced Water

Produced water is a byproduct of hydraulic fracking and is unique to the area it is drilled from, resulting in each barrel of produced water having a unique dissolved solids structure. Produced water, depending on the area it is created from, has been found to have varying levels of toxic and radioactive substances in it.[1] New Mexico produces roughly 2 billion barrels of produced water annually. Portions of this water are recycled and reused in oil production, with the industry sourcing approximately 60 percent of its drilling water from reused produced water in recent years.

Projects to clean produced water for industrial use, a standard that varies depending on the intended use, have not been achieved at a large scale and would require infrastructure the state does not currently have. Cleaning produced water by removing total dissolved solids (TDS) so that it can be used beyond the oil field also requires the removal of radioactive and toxic constituents, a level of purification that would necessitate substantial infrastructure. Currently, there are no plans to treat produced water to drinking water standards, which would require reducing TDS concentrations to less than 500 parts per million.

A study done by the U. S Environmental Protection Agency notes[2]:

> Based on information provided in this study, this is primarily due to the availability of other wastewater management options that are lower cost, such as reuse within the oil and gas field or disposal in Class II UIC wells, as well as the cost associated with treating produced waters to a level suitable for discharge. Industry indicated that unless the produced water has total dissolved solids concentrations generally of less than a few thousand milligrams per liter, treatment using membranes (e.g., reverse osmosis) or

[1] https://www.epa.gov/radiation/tenorm-oil-and-gas-production-wastes
[2] https://www.env.nm.gov/opf/wp-content/uploads/sites/13/2024/05/108-110.pdf

> distillation would be necessary to generate water that is suitable for agricultural uses or for discharge to surface waters. The cost of such treatment is not currently competitive where other wastewater management options are available.

Research from the New Mexico Produced Water Consortium out of New Mexico State University found a range of TDS in produced water from the Permian Basin between 100,800 to 201,500 TDS mg/L.3.[3]

A recent study also done by the New Mexico Produced Water Consortium noted that treated produced water and subsequent integration with the treated water and human cells resulted in little to no effect on the cells. However, the study did conclude that, "Produced water (PW) could be an alternative water resource after treatment for fit-for-purpose applications. However, comprehensive studies assessing the impact of treated PW exposure on human health are still lacking."

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Memorial 45 is a duplicate of Senate Memorial 11.

AD/ct/dw/ct

[3] https://nmpwrc.nmsu.edu/resources/documents/2022-JHM-Characterization-of-PW-and-Pecos-River-quality.pdf