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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/20
 LAST UPDATED 02/04/20 HM 21/aHENRC

SPONSOR McQueen

SHORT TITLE Transport & Storage of Radioactive Waste SB _____

ANALYST Wan

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Implications					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Environment Department (NMED)

Economic Development Department (EDD)

SUMMARY

Synopsis of HENRC Amendment

The House Energy, Environment and Natural Resources Committee amendment to House Memorial 21 strikes “by rail” on page 2, line 16. Without this language, HM21 raises concerns about the transport of radioactive waste into New Mexico by any method of transport, not specifically rail transport.

Synopsis of Original Bill

House Memorial 21 opposes the transportation of high-level radioactive waste into or through New Mexico. The memorial notes Holtec International applied to the United States nuclear regulatory commission for a license to construct and operate an interim radioactive waste storage facility in southeastern New Mexico, and while the facility is proposed to be temporary, it may become long term or permanent due to a lack of long-term storage options.

HM 21 suggests the construction and acceptance of high-level radioactive waste at the proposed interim storage facility poses risks to the state's existing industrial, agricultural, and ranching businesses. EDD reports these business operations contribute more than \$2.5 billion in revenues

to the state budget and potential contamination from high-level radioactive material could have a devastating financial impact on these industries and to the State of New Mexico. The memorial also notes that tourism is a major contributor to New Mexico's economy and the creation of a high-level radioactive waste storage facility contradicts efforts to promote tourism. The memorial also raises concerns about the potential effects this proposed facility could have on New Mexico residents' health and safety.

FISCAL IMPLICATIONS

EDD expects the proposed Holtec International facility "will have significant economic implications to New Mexico," but did not provide an amount for the estimated impact. The agency states that although the proposed facility "will create some jobs and provide for significant capital investment in New Mexico, the positive economic impact that would occur because of this activity would not outweigh the negative fiscal impact that would occur to the existing business and tax revenues generated by these operations." EDD further states the following:

Just the presence and transportation of high-level waste in the region will cause existing agriculture, value-added agriculture, extraction, mid-stream and downstream productions to make changes in their operations to ensure the safety of their products and their personnel. These changes will have a negative effect on these businesses' profitability and their ability to compete in their global markets. These increased costs may force these businesses to look elsewhere to produce which will have a direct impact on New Mexico residents first and subsequently on state revenues.

SIGNIFICANT ISSUES

According to both EDD and NMED, there is a strong possibility that the proposed interim storage facility would become a long-term or permanent storage facility. NMED states:

A short-term storage facility is issued a forty-year license. The facility could apply for and be granted an extension of an additional forty years. Additionally, if the facility were to reach its licensed capacity it could request an expansion of its current footprint thereby allowing the increased storage capacity of high-level radioactive waste.