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FISCAL IMPACT REPORT

ORIGINAL DATE 3/5/07

SPONSOR Begaye LAST UPDATED _____ HB _____

SHORT TITLE Uranium Mining Risks and Impact SB SJM 64

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	\$0.1	\$0.1		\$0.1	Non- Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SJM 10, HB 1204; Duplicates HJM 66

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals, and Natural Resources Department (EMNRD)
 New Mexico Environment Department (NMED)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 64 recognizes health and environmental risks and impacts of uranium mining and processing in New Mexico communities, and therefore requests that state agencies assess areas contaminated by past uranium mining and report to the Governor and Legislature.

The report must be prepared by the Department of Health, in collaboration with the Department of Environment, the Energy, Minerals and Natural Resources Department, and also with the Navajo Nation and Pueblos of Acoma and Laguna. The report, which is due by October 30, 2007, must also include recommendations for environmental restoration, public health studies, and other measures needed to address impacts of past uranium mining.

Until the report is submitted, state, federal and local agencies are asked to refrain from issuing any approvals for uranium exploration and mining.

FISCAL IMPLICATIONS

The requests involved in Senate Joint Memorial 64 will require significant resources from state agencies. All three agencies involved, the Department of Health, the Environment Department, and the Energy, Minerals, and Natural Resources Department, stated in their agency analyses that the additional workload would require additional state agency staff time and or additional contract funding in order to properly perform the assessments. House Joint Memorial 66 does not discuss any funds with which to carry out such a comprehensive assessment.

Senate Joint Memorial 64 requires state agencies to suspend the permitting and licensing of uranium mining and processing facilities pending the completion of the assessment. That suspension would stop the discharge permit issuance and renewal process for several facilities for an indefinite period of time. Such an assessment could take a large amount of time to complete. A suspension of permitting and licensing activities could pose an undue fiscal and regulatory burden on applicants. Legal challenges by applicants could also be brought forward thus bringing an additional fiscal burden upon the state.

SIGNIFICANT ISSUES

The uranium mining boom from the 1950s to the 1980s left behind hundreds of sites with significant environmental and health impacts. Many of these sites, particularly the larger mines and mills, have been reclaimed, or are being reclaimed, under the authority of various state, federal and tribal authorities. However, a number of sites have not been reclaimed, due to lack of federal or state jurisdiction under existing state and federal laws. Because there is no comprehensive inventory of the number of sites remaining to be reclaimed, it is unclear exactly how many there are and what their environmental or public health impacts may be. An assessment of these sites would assist agencies in determining where additional remediation work is necessary.

According to the Energy, Minerals, and Natural Resources Department, over the past few months it has begun developing a database of closed uranium mines using prior work by New Mexico Tech and other agency information. The Energy, Minerals, and Natural Resources Department is currently using existing resources to work on this database. The assessment requested in Senate Joint Memorial 64 could build upon this project, however without additional funding this project will be difficult to complete in any reasonable time period.

ADMINISTRATIVE IMPLICATIONS

Additional administrative resources in the form of staff hours and contract staff will be necessary to properly complete a comprehensive assessment. Senate Joint Memorial 64 includes no funding of which to handle these additional resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SJM 10 and HB 1204
Duplicates HJM 66

AHO/nt