SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR SENATE BILL 643

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

 AN ACT

RELATING TO THE ENVIRONMENT; AMENDING SECTIONS OF THE SOLID WASTE ACT TO PROVIDE FOR SEPARATE FEE SCHEDULES FOR PERMIT APPLICATION PROCESSING AND FOR PERMIT AUDITING; PROVIDING FOR REDUCED ANNUAL FEES FOR PUBLIC FACILITIES PROPORTIONAL TO RECYCLED WASTE; RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW IN LAWS 1991 BY REPEALING LAWS 1991, CHAPTER 185, SECTION 2; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 74-9-3 NMSA 1978 (being Laws 1990, Chapter 99, Section 3) is amended to read:

"74-9-3. DEFINITIONS.--As used in the Solid Waste Act:

A. "active life of site permit" means a permit issued by the division for a new solid waste facility, or for an existing solid waste facility that has opted into the active .177840.2

life of site permit condition pursuant to Subsection G of
Section 74-9-24 NMSA 1978, which permit term includes the
useable life of the property described by the applicant for a
new permit or for an existing permit extended pursuant to that
subsection; provided that the property for the facility does
not exceed five hundred acres and the facility complies with
the provisions of the Solid Waste Act and the solid waste
management regulations promulgated by the board;

B. "active life of site registration" means a registration issued by the division for a new solid waste facility, or for an existing solid waste facility that has opted into the active life of site registration condition pursuant to Subsection G of Section 74-9-24 NMSA 1978, which registration term extends for the useable life of the facility; provided that the facility complies with the requirements of the Solid Waste Act and the solid waste management regulations promulgated by the board and which registration is exempt from fees set forth in Section 74-9-8 NMSA 1978;

[A.] C. "agricultural" means all methods of production and management of livestock, crops, vegetation and soil. This includes, but is not limited to, raising, harvesting and marketing. It also includes, but is not limited to, the activities of feeding, housing and maintaining animals such as cattle, dairy cows, sheep, goats, hogs, horses and poultry;

D. "audited costs" means costs incurred by the division that can be verified by the division using accepted governmental accounting procedures;

[B_{\bullet}] E_{\bullet} "board" means the environmental improvement board;

[G.] F. "commercial hauler" means any person transporting solid waste for hire by whatever means for the purpose of disposing of the solid waste in a solid waste facility, except that the term does not include an individual transporting solid waste generated on or from [his] the person's residential premises for the purpose of disposing of it in a solid waste facility;

[Đ-] G. "construction and demolition debris" means materials generally considered to be not water soluble and nonhazardous in nature, including, but not limited to, steel, glass, brick, concrete, asphalt roofing materials, pipe, gypsum wallboard and lumber from the construction or destruction of a structure as part of a construction or demolition project, and includes rocks, soil, tree remains, trees and other vegetative matter that normally results from land clearing or land development operations for a construction project, but if construction and demolition debris is mixed with any other types of solid waste, whether or not originating from the construction project, it loses its classification as construction and demolition debris;

$[E.]$ $\underline{H.}$ "densified-refuse-derived fuel" means a
product resulting from the processing of mixed municipal solid
waste in a manner that produces a fuel suitable for combustion
in existing or new solid-fuel-fired boilers;

- [F.] I. "director" means the director of the environmental improvement division of the [health and environment] department of environment;
- [6.] J. "division" means the environmental improvement division of the [health and environment] department of environment;
- [H-] $\underline{K.}$ "municipality" means any incorporated city, town or village, whether incorporated under general act, special act or special charter, incorporated counties and H class counties;
- L. "permit modification" means a horizontal or vertical expansion of the solid waste facility within the property boundary not to exceed five hundred acres or the expansion of a solid waste facility beyond its existing boundary, the combined total of which shall not exceed five hundred acres, and the modification is issued by the division under rules adopted by the board for permitting modifications of solid waste facilities, but "permit modification" does not mean a modification of pollution control systems in order to comply with changes in g2federal or state statutes or regulations relevant to the operation of the facility;

	[I.] <u>M.</u>	"pers	on"	means	an	individual	or	any	entity,
including	federal,	state	and	local	got	vernmental	ent	ities	s,
however on	ganized:								

- [J.] N. "plan" or "state plan" means the solid waste management plan required to be developed under Section [4 of the Solid Waste Act] 74-9-4 NMSA 1978;
- [K.] O. "program" or "state program" means the comprehensive solid waste management program described in Section [12 of the Solid Waste Act] 74-9-12 NMSA 1978;
- [H.] P. "recyclable materials" means materials that would otherwise become solid waste if not recycled and that can be collected, separated or processed and placed in use in the form of raw materials, products or densified-refuse-derived fuels;
- $[M_{ au}]$ Q. "recycling" means any process by which recyclable materials are collected, separated or processed and reused or returned to use in the form of raw materials or products;
- R. "registered facility" means a facility that is exempt from permitting requirements as set forth in the Solid Waste Act and under rules promulgated by the board;
- [N-] <u>S.</u> "solid waste" means any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant or air pollution control facility and other discarded material, including solid, liquid, semisolid or contained .177840.2

gaseous material resulting from industrial, commercial, mining and agricultural operations and from community activities.

"Solid waste" does not include:

- (1) drilling fluids, produced waters and other nondomestic wastes associated with the exploration, development or production, transportation, storage, treatment or refinement of crude oil, natural gas, carbon dioxide gas or geothermal energy;
- waste and flue gas emission control waste generated primarily from the combustion of coal or other fossil fuels and wastes produced in conjunction with the combustion of fossil fuels that are necessarily associated with the production of energy and that traditionally have been and actually are mixed with and are disposed of or treated at the same time with fly ash, bottom ash, boiler slag or flue gas emission control wastes from coal combustion;
- (3) waste from the extraction, beneficiation and processing of ores and minerals, including phosphate rock and overburden from the mining of uranium ore, coal, copper, molybdenum and other ores and minerals;
- (4) agricultural waste, including, but not limited to, manures and crop residues returned to the soil as fertilizer or soil conditioner;
 - (5) cement kiln dust waste;

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- sand and gravel; (6)
- solid or dissolved material in domestic (7) sewage or solid or dissolved materials in irrigation return flows or industrial discharges that are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act, 33 U.S.C. Section 1342 or source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954, 42 U.S.C. Section 2011 et seq.;
 - densified-refuse-derived fuel; or
- any material regulated by Subtitle C of (9) the federal Resource Conservation and Recovery Act of 1976, substances regulated by the federal Toxic Substances Control Act or low-level radioactive waste;
- [0.] T. "solid waste district" means a geographical area designated by the board as a solid waste district under Section [11 of the Solid Waste Act] 74-9-11 NMSA 1978;
- [P.] <u>U.</u> "solid waste facility" means any public or private system, facility, location, improvements on the land, structures or other appurtenances or methods used for processing, transformation, recycling or disposal of solid waste, including landfill disposal facilities, transfer stations, resource recovery facilities, incinerators and other similar facilities not specified, but does not include equipment specifically approved by order of the director to render medical waste noninfectious or a facility [which] that .177840.2

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is permitted pursuant to the provisions of the Hazardous Waste

Act and does not apply to a facility fueled by a densifiedrefuse-derived fuel that accepts no other solid waste;

- $[rac{V_{ullet}}{}]$ "source reduction" means any action that causes a net reduction in the generation, volume or toxicity of solid waste;
- [R.] W. "special waste" means solid waste that has unique handling, transportation or disposal requirements to assure protection of the environment and the public health and safety;
- [S.] \underline{X} . "transformation" means incineration, pyrolysis, distillation, gasification or biological conversion other than composting; and
- [$\overline{\text{T.}}$] $\underline{\text{Y.}}$ "yard refuse" means vegetative matter resulting from landscaping, land maintenance and land clearing operations."
- Section 2. Section 74-9-8 NMSA 1978 (being Laws 1990, Chapter 99, Section 8, as amended by Laws 1991, Chapter 185, Section 2 and also by Laws 1991, Chapter 194, Section 3) is amended to read:
- "74-9-8. BOARD ADOPTION OF INITIAL REGULATIONS.--No later than December 31, [1991] 2010, the board shall adopt regulations under the authority of this section to:
- A. implement, administer and enforce a program for the cost-effective and environmentally safe siting, .177840.2

construction, operation, maintenance, closure and post-closure care of solid waste facilities, including financial responsibility requirements for solid waste facility owners and operators and also including requirements that assure that the relative interests of the applicant, other owners of property likely to be affected and the general public will be considered prior to the issuance of a permit for a solid waste facility;

- B. define the solid wastes that are considered special wastes;
- C. establish specific requirements for the detoxification and disposal of special wastes;
- D. establish classifications of solid waste facilities and define what types of solid waste may be processed or disposed of in each classification;
- E. establish performance standards for the construction and operation of solid waste facilities that will assure protection of ground water quality from degradation by contaminants from solid waste facilities consistent with the provisions of the Water Quality Act and the regulations and standards established under that act by the water quality control commission, provided such regulations shall not allow permitting of any active solid waste facility larger than five hundred acres;
- F. establish performance standards for transformation facilities that will assure protection of the .177840.2

1	state's	environment;
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- G. establish requirements and procedures for the granting or denial of an application to modify a solid waste facility permit under Section 74-9-25 NMSA 1978;
- H. establish requirements and procedures for commercial haulers to minimize littering and otherwise prevent degradation of the environment;
- [I. establish an applicant fee schedule for processing permit applications that is based on costs of application review incurred by the division and also costs incurred for investigations of applicants by state departments and agencies other than the division, which regulation shall provide for the reimbursement of these costs to the division or other department or agency from the fees charged and shall also limit the fee to be not greater than ten thousand dollars (\$10,000)]
- I. establish two separate regulatory fee schedules as follows:
- (1) the first fee schedule shall be for processing applications for permits and permit modifications and shall be based on audited costs of application review incurred by the division and also audited costs incurred for investigations of applicants by state departments and agencies other than the division, which regulations shall provide for the reimbursement of these costs to the division or other .177840.2

departments or agencies from the fees charged and shall limit
the total fee to be not greater than sixty thousand dollars
(\$60,000) for publicly or privately owned facilities that
receive four hundred thousand tons or more per year; thirty
thousand dollars (\$30,000) for facilities that receive less
than four hundred thousand tons per year but more than two
hundred thousand tons per year; and twenty thousand dollars
(\$20,000) for facilities that receive two hundred thousand tons
or less per year; or

reimbursement of audited costs incurred annually by the division for technical and administrative oversight of permitted or registered facilities that have opted into the active life of site permit pursuant to Section 74-9-24 NMSA 1978 and shall not be greater than fifty thousand dollars (\$50,000) per year for publicly or privately owned facilities that receive four hundred thousand tons or more per year; twenty-five thousand dollars (\$25,000) per year for facilities that receive less than four hundred thousand tons per year but more than two hundred thousand tons per year; and twelve thousand five hundred dollars (\$12,500) per year for facilities that receive two hundred thousand tons or less per year;

J. establish requirements and procedures for a person to obtain a variance from the application of a substantive regulation to the person if the person files a .177840.2

written application for a variance with the director and demonstrates to the director's satisfaction that:

- (1) application of the regulation would result in an arbitrary and unreasonable taking of the applicant's property or would impose an undue economic burden upon any lawful business, occupation or activity; and
- (2) granting the variance will not result in any condition injurious to human health, safety or welfare or the environment;
- K. assure that no variance will be granted under the provisions of Subsection J of this section until the director has considered the relative interests of the applicant, other owners of property likely to be affected and the general public and that any variance or renewal of a variance shall be granted for time periods and under conditions consistent with reasons for the [various] variance but within the following limitations:
- (1) if the variance is granted on the grounds that there are no practicable means known or available for the adequate prevention of degradation of the environment or the risk to the public health, safety or welfare, it shall continue only until the necessary means for the prevention of the degradation or risk become known and available; or
- (2) if the variance is granted on the grounds that it is justified to relieve or prevent hardship of a kind .177840.2

other than that provided for in Paragraph (1) of this subsection, it shall not be granted for more than one year;

- L. establish a list of solid wastes that shall not be transferred, disposed of or transformed in a solid waste facility and prohibit the disposal or transformation of those solid wastes in solid waste facilities;
- M. establish recordkeeping procedures for solid waste transfer, landfill disposal and transformation facilities that shall include requirements for recording the type, amount and origin of solid waste transferred, disposed of or transformed at the facility and that require operators of landfill disposal, solid waste transfer and transformation facilities within the state to:
- (1) maintain records in a form required by the division and file them with the division indicating the type, amount, origin and location in a landfill disposal facility of solid waste accepted by the facility;
- (2) maintain copies of the records required under Paragraph (1) of this subsection after closure in a manner and for the length of time prescribed by the division; and
- (3) make all required records available for inspection by the division and the general public during normal business hours; and
- N. require the division to establish a solid waste .177840.2 $\,$

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facility operator certification program."

Section 3. Section 74-9-15 NMSA 1978 (being Laws 1990, Chapter 99, Section 15) is amended to read:

"74-9-15. SPECIFIC PROGRAM--STATE GOVERNMENT SOURCE REDUCTION AND RECYCLING. --

Α. The division shall cooperate with the general services department in its assessment of the status of recycling efforts undertaken directly by state government for its own solid waste and its evaluation of existing programs and its development of necessary recycling programs to reduce the generation of solid waste by state government. The programs shall include recycling of office papers, cardboard, used motor oil, yard waste and other materials produced by the state for which recycling markets exist or may be developed.

Each state agency and the legislature shall prepare a source reduction and recycling plan addressing the requirements of Subsections C and D of this section. Each agency plan shall be submitted for approval to the general services department on or before December 31, 1991, consistent with the goals and guidelines of this section, the goals stated in Subsection J of Section [6 of the Solid Waste Act] 74-9-6 NMSA 1978 and the state plan. Agency plans shall be updated biennially to increase the amount of solid waste recycled by taking advantage of any changed circumstances. Updated plans shall be submitted to the general services department for

approval prior to adoption.

- C. By July 1, 1992, each state agency and the legislature shall establish and implement a source separation and collection program for recyclable materials produced as a result of agency operations, including, at a minimum, high grade paper, corrugated paper and glass. The source separation and collection program shall include, at a minimum, procedures for collecting and storing recyclable materials and contractual and other arrangements with buyers. Each agency shall appoint a recycling coordinator and shall conduct educational programs about the recycling program for its employees.
- D. By July 1, 1992, each state agency shall establish and implement a source reduction program for materials used in the course of agency operations. The program shall be designed and implemented to achieve the maximum feasible reduction of solid waste generated as a result of agency operations.
- E. Annual fees assessed by the division for technical and administrative oversight of publicly owned facilities pursuant to Section 74-9-8 NMSA 1978 shall be reduced proportionately by the percentage of waste generated within the responsible jurisdiction that is either recycled or composted and not disposed of or transferred as waste to publicly or privately owned facilities."

Section 4. Section 74-9-24 NMSA 1978 (being Laws 1990, .177840.2

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Chapter 99, Section 24, as amended) is amended to read:

"74-9-24. SOLID WASTE FACILITY PERMIT--ISSUANCE AND DENIAL--GROUNDS--NOTIFICATION OF DECISION--PERMIT RECORDING REQUIREMENT.--

A. The director, within one hundred eighty days after the application is deemed complete and after a public hearing, shall issue a permit, issue a permit with terms and conditions or deny a permit application. The director may deny a permit application on the basis of information in the application or evidence presented at the hearing, or both, if [he] the director makes a finding that granting the permit would be contradictory to or in violation of the Solid Waste Act or any regulation adopted [under it. He] pursuant to the provisions of that act. The director may also deny a permit application if the applicant fails to meet the financial responsibility requirements established by the board [under] pursuant to the provisions of Subsection A of Section 74-9-8

NMSA 1978 and Section 74-9-35 NMSA 1978.

- B. The director may deny any permit application or revoke a permit if [he] the director has reasonable cause to believe that [any] \underline{a} person required to be listed on the application pursuant to Section 74-9-20 NMSA 1978 has:
- (1) knowingly misrepresented a material fact in application for a permit;
- (2) refused to disclose or failed to disclose .177840.2

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the information required [under] pursuant to the provisions of Section 74-9-21 NMSA 1978;

- (3) been convicted of a felony or other crime involving moral turpitude within ten years immediately preceding the date of the submission of the permit application;
- (4) been convicted of a felony, within ten years immediately preceding the date of the submission of the permit application, in any court for any crime defined by state or federal statutes as involving or being restraint of trade, price-fixing, bribery or fraud;
- (5) exhibited a history of willful disregard for environmental laws of any state or the United States; or
- (6) had any permit revoked or permanently suspended for cause under the environmental laws of any state or the United States.
- In making a finding under Subsection B of this section, the director may consider aggravating and mitigating factors presented by any party at the hearing.
- If an applicant whose permit is being considered for denial or revocation on any basis provided in this section has submitted an affirmative action plan that has been approved in writing by the director and plan approval includes a period of operation under a conditional permit or license that will allow the applicant a reasonable opportunity to affirmatively demonstrate its rehabilitation, the director may issue a .177840.2

conditional license for a reasonable period of time of operation. In approving an affirmative action plan intended to affirmatively demonstrate rehabilitation, the director may consider the following factors: implementation by the applicant of formal policies; training programs and management control to minimize and prevent the occurrence of future violations; installation by the applicant of internal environmental auditing programs; the discharge of individuals convicted of any crimes set forth in Subsection B of this section; and such other factors as the director may deem relevant.

- E. Within sixty days of the date of the closing of the hearing on a permit application, the director shall notify the applicant by certified mail of the issuance, denial or issuance with conditions of a permit and the reasons [therefor] for it. Any person who has made a written request to the director to be notified of the action taken on the application shall be given written notice of the director's action.
- F. No permit for the operation of a solid waste facility shall be valid until the permit or a notice of the permit and a legal description of the property on which the facility is located are filed and recorded in the office of the county clerk in each county in which the facility is located.
 - G. Except as otherwise provided by law:
- (1) each permit issued for a publicly owned .177840.2

[bracketed material] = delete

and publicly of privately operated new of repermitted existing
landfill, transfer station, recycling facility or composting
facility shall remain in effect throughout the active life of
the landfill, transfer station, recycling facility or
composting facility as described in the approved permit [or for
twenty years, whichever is less. Each permit issued for a
publicly owned landfill, transfer station, recycling facility
or composting facility that is privately operated pursuant to a
contract of no more than four years duration entered into in
accordance with the state or local procurement code shall
remain in effect throughout the active life of the landfill,
transfer station, recycling facility or composting facility as
described in the approved permit or for twenty years, whichever
is less. Each time the contract is renewed, the director shall
review the contract to determine whether the term of the permit
shall be governed by this paragraph or Paragraph (2) of this
<pre>section] or for twenty years, whichever the applicant chooses.</pre>
If the applicant opts for an active life of site permit that is
greater than twenty years, annual fees for audited costs
incurred by the division for technical and administrative
review shall be reimbursed pursuant to Section 74-9-8 NMSA
1978. Applicants for permits sought after July 1, 2009 shall
indicate in their application whether they are seeking a permit
term of twenty years or for the active life of the facility;
provided that the facility in question is in compliance with
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3 submit in writing to the division no later than thirty days 4 after the board promulgates regulations pursuant to 5 requirements in Section 74-9-8 NMSA 1978 their decision to 6 remain in the twenty-year permit cycle or to opt into the 7 active life of site permit. Each permit shall be reviewed by 8 the department of environment at least once every ten years. 9 The review shall address the operation, compliance history, 10 financial assurance and technical requirements for the 11 landfill, transfer station, recycling facility or composting 12 facility. At the time of the review there shall be public 13 notice in the manner prescribed by Section 74-9-22 NMSA 1978. 14 If the secretary of environment determines that there is 15 significant public interest, a nonadjudicatory hearing shall be 16 held as part of the review. The secretary may require 17 appropriate modifications of the permit, including 18 modifications necessary to make the permit terms and conditions 19 consistent with statutes, regulations or judicial decisions; 20 each permit issued for a privately owned (2) 21

the Solid Waste Act and the solid waste management regulations.

Owners of facilities permitted prior to July 1, 2009 shall

new or repermitted existing [landfill, transfer station, recycling facility or composting] facility shall remain in effect [for ten years or for the active life of the facility, whichever is less. Each permit issued for a publicly owned landfill, transfer station, recycling facility or composting .177840.2

ractifity that is leased to a private person of that is operated
by a private person pursuant to a contract of more than four
years duration shall remain in effect for ten years or for the
active life of the landfill or facility, whichever is less]
throughout the active life of the facility as described in the
approved permit, or for twenty years, whichever the applicant
chooses. If the applicant opts for an active life of site
permit, the annual fees for audited costs incurred by the
division for technical and administrative review shall be
reimbursed pursuant to Section 74-9-8 NMSA 1978. Applicants
for permits sought after July 1, 2009 shall indicate in their
application whether they are seeking a permit term of twenty
years or for the active life of the facility; provided that the
facility in question is in compliance with the Solid Waste Act
and the solid waste management regulations. Owners of
privately held facilities permitted prior to July 1, 2009 shall
submit in writing to the division no later than thirty days
after the board promulgates regulations pursuant to
requirements in Section 74-9-8 NMSA 1978 their decision to opt
into the twenty-year permit cycle or to opt into the active
life of site permit. If a privately owned facility opts into
the twenty-year permit cycle, the twenty-year permit term shall
be reduced by the number of years the facility has operated
under its current permit. For privately owned facilities that
opt into either the twenty-year permit term or the active life
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of site permit term, the facility owners shall adjust limanicial
assurance coverage to accommodate requirements pursuant to the
solid waste management regulations. Each permit shall be
reviewed at least every [five] ten years by the department of
environment. Interested parties may petition the department
for review, in addition to the [five-year] ten-year review,
provided that the director [shall have] has discretion to
determine whether there is good cause for such an additional
review. The review shall address the operation, compliance
history, financial assurance and technical requirements for the
landfill, transfer station, recycling facility or composting
facility. At the time of the review there shall be public
notice in the manner prescribed by Section 74-9-22 NMSA 1978.
If the secretary of environment determines that there is
significant public interest, a nonadjudicatory hearing shall be
held as part of the review. The secretary may require
appropriate modifications of the permit, including
modifications necessary to make the permit terms and conditions
consistent with statutes, regulations or judicial decisions;
and

- (3) the term of permits for facilities not specified by this subsection shall be governed by existing or amended regulations adopted by the board.
- $\,$ H. The director shall issue separate special waste permits for all solid waste facilities that transfer, process, .177840.2

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repealed.

transform, recycle or dispose of special waste pursuant to								
regulations adopted by the board."								
Section 5. REPEALLaws 1991, Chapter 185, Section 2 is								

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