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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/10

SPONSOR Jeff LAST UPDATED 02/05/10 HM 34

SHORT TITLE Abandoned Uranium Mine Reclamation Funding SB \_\_\_\_\_

ANALYST Escudero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SM30 Abandoned Uranium Mine Reclamation Funding

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

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

### SUMMARY

#### Synopsis of Bill

House Memorial 34 is a Memorial requesting that the U.S. Congress be requested to expedite the passage of legislation to enact the necessary amendments to the Surface Mining Control and Reclamation Act of 1977 (SMCRA) to clarify that uncertified states, such as New Mexico, have authority to use payments for non-coal mine reclamation projects.

### FISCAL IMPLICATIONS

As indicated by EMNRD, HM 34 requests an expanded scope of use for Federal funds distributed to New Mexico under Title IV of SMCRA.

### SIGNIFICANT ISSUES

EMNRD indicates as follows:

Under Title IV of SMCRA, New Mexico receives a grant to protect public health and safety at abandoned mines. SMCRA allows the states to address problems at both coal and non-coal abandoned mines. Under amendments to SMCRA passed by Congress in December 2006, New Mexico will receive an additional \$20 million in funding for Abandoned Mine Land projects. However, the Department of the Interior has issued an opinion mandating that all of the new funding be spent solely on coal projects.

New Mexico has an estimated 15,000 abandoned mine openings that present dangers to public health, safety and the environment. The overwhelming majority of these threats are at non-coal mines and there is no current source of funding to allow for significant cleanup work at many abandoned uranium mines. At some mines where the State can assert jurisdiction under the Water Quality Act or the Mining Act, responsible parties can be required to conduct cleanups. However, at many older mines there are no remaining responsible parties or the State is unable to assert jurisdiction.

There is a need to fund the cleanup of abandoned uranium mine sites in New Mexico. During the uranium “boom” from the 1950s to the early 1980s, New Mexico was the largest producer of uranium in the world. However, at the time, there were few, if any, regulatory controls that required uranium mines and mills to be reclaimed. The Energy, Minerals and Natural Resources Department (EMNRD), Mining and Minerals Division (MMD) has been assessing abandoned uranium mines and the extent of potential hazards to the public. MMD has identified approximately 259 mines where uranium production occurred. Of these mines, more than half have no records of any reclamation having been conducted. In addition, MMD estimates there are another 400 to 500 sites with uranium mining activity where there is no record of production. Most of the mines occurred in the area of the “Grants uranium belt” north of I-40, between Gallup and Grants. MMD has initiated fieldwork to assess the amount of work necessary to reclaim these sites. The New Mexico Environment Department also is assessing potential groundwater contamination at a number of former uranium mines and mills.

NMED indicates as follows:

HM 34 requests that that Congress expedite the passage of legislation to enact the necessary amendments to the Surface Mining Control and Reclamation Act of 1977 to clarify that uncertified states such as New Mexico have authority to use payments for non-coal mine reclamation projects. This would allow funding distribution under Section 411(h)(1) of the Surface Mining Control and Reclamation Act of 1977 to be used for non-coal mine reclamation.

Uranium mining and processing was extensive in New Mexico from the 1950s to the 1970s. Those operations were conducted primarily prior to the enactment of state and federal regulations that protect human health and the environment. Therefore, many of those operations resulted in significant environmental impacts. Since the late 1970s, several large sites with water pollution and human health impacts have been cleaned up or are currently being remediated under Water Quality Control Commission regulations or federal regulations such as the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). However, there are abandoned uranium mines or so-called uranium legacy mines without known viable responsible parties in the northwestern portion of the state that could pose a variety of health concerns, including

threats to public health from public exposure to windblown uranium soils onto neighboring residential properties, and threats to groundwater quality from leaching of uranium contaminated soils into underlying underground sources of drinking water. Abandoned uranium mines have caused soil and groundwater contamination at a number of sites in New Mexico.

DOH indicates as follows:

Initially the Atomic Energy Commission did not require early mines be reclaimed. It is estimated that there are over 15,000 abandoned mines in New Mexico. ([www.emnrd.state.nm.us/mmd/aml/AMLmain.htm](http://www.emnrd.state.nm.us/mmd/aml/AMLmain.htm)), with several of them that were abandoned and never reclaimed. The federal government is responsible for providing funding for reclamation. In 2006, the U.S. Congress passed amendments to Surface Mining Control and Reclamation Act providing that the funds collected from reclamation fees would go directly to states, however, the Department of Interior interprets those amendments to limit uncertified states, such as New Mexico, from using those funds. A legislative solution is necessary in order to allow funding be distributed.

In terms of health relevance, reclamation of uranium mines may help reduce human exposure to uranium. Given that naturally-occurring uranium deposits are rich in the Grants Mineral Belt, communities with uranium exploration, both past and current, may have higher exposure and therefore increased potential for adverse health outcomes. One of the most common adverse health effects from uranium toxicity is kidney damage. There is also an association between uranium exposure and diminished bone growth and osteoporosis, and concern about the effects on the nervous system. ([http://www.health.state.nm.us/eheb/documents/Uranium\\_FactSheet\\_DOH\\_ED\\_1.2010\\_000.pdf](http://www.health.state.nm.us/eheb/documents/Uranium_FactSheet_DOH_ED_1.2010_000.pdf))

## **PERFORMANCE IMPLICATIONS**

EMNRD indicates no direct implications from HM 34. However, if congress acts on the requests in HM 34, it will allow the state to pursue needed cleanups of abandoned uranium mines and other critical non-coal abandoned mines.

## **OTHER SUBSTANTIAL ISSUES**

NMED indicates as follows:

Threats to public health from past uranium mining and milling and the need to protect public health through the abatement of existing sources of soil and water pollution is a significant issue facing New Mexico. This became an increasingly critical concern when the price of uranium increased in recent years and mining companies became interested in pursuing new uranium mining operations. Those proposed operations have the potential for future public health impacts. Past environmental impacts and threats to public health and water quality from uranium mining and milling operations, especially from abandoned sites, need to be determined and cleaned up in order to ensure the protection of human health and the environment for all New Mexicans.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HM 34 is identical to SM 30

**DISPARITY ISSUES**

DOH indicates as follows:

The area of NM that could gain most benefit from mine reclamation is the Grants Mineral Belt, mainly Cibola and McKinley Counties. These areas face community health issues associated with low economic status (23% of individuals below poverty in Cibola and 35% in McKinley) and limited resources. Also, both counties are home to large populations of Native Americans—43% in Cibola county and 72% in McKinley (<http://factfinder.census.gov>, 2006-2008)

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

EMNRD will continue to inventory and assess abandoned uranium mines with its current limited funding and continue to look for other sources of funding for the cleanup of these sites

NMED indicates The New Mexico Legislature will not make its wishes known to Congress regarding funding for abandoned uranium mines.

PME/svb