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FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/13

SPONSOR Madalena LAST UPDATED 02/26/13 HB 512

SHORT TITLE UNM Radioactive Mining Waste Study SB _____

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$150.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, University of New Mexico

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico (UNM)

Energy, Minerals, Natural Resources Dept. (EMNRD)

TetraTech

SUMMARY

Synopsis of Bill

House Bill 512 (HB 512) appropriates \$150 thousand from the general fund for the purpose of the University of New Mexico's water resources program to conduct a siting study to identify a repository for existing radioactive waste from past uranium mining activities throughout the Grants mineral belt.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

The University of New Mexico (UNM) response indicated that funding from HB 512 would support faculty and graduate students working on the study.

The Energy, Minerals and Natural Resources Department (EMNRD) noted that other federal, state, and tribal resources may be available to conduct such a study since these governments are continuing to inventory, assess and reclaim closed uranium mines and sites. TetraTech, a consultant hired to study the Homestake Mining Company-Grants Site, has provided a June 2012 study entitled “Screening Level Evaluation of an Off-Site Relocation of the Large Tailings Pile, Homestake Mining Company – Grants Site.” It is unclear whether or how the study funded by HB 512 would differ from studies already conducted.

SIGNIFICANT ISSUES

The EMNRD summarized the context for this study.

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 EMNRD Mining and Minerals Division (MMD) conducted an inventory and assessment of closed uranium mines in New Mexico. MMD identified approximately 260 mines where uranium production occurred. Of these mines, more than half have not been reclaimed. In addition, MMD estimates another 400 to 500 sites with uranium mining or exploration activity where there is no record of production. Most of the mines occurred in the area of the “Grants Mineral Belt” north of I-40, between Gallup and Laguna Pueblo.

Many of the larger uranium mines, and all of the mills, have been or are being reclaimed either under state, federal or tribal regulatory authority or with federal funds administered by New Mexico or Navajo Nation abandoned mine land programs. The usual reclamation practice at these sites has been to address the related mine wastes by stabilizing and covering onsite, or in a location in close proximity to the mine site.

The U.S. Environmental Protection Agency (EPA) Region 6 is currently conducting a 5 year plan to evaluate the impacts of uranium mining in the Grants Mineral Belt. The Grants Mineral Belt was the primary focus of uranium extraction and production activities in New Mexico from the 1950s until the late 1990s. The belt extends along the southern margin of the San Juan Basin in Cibola, McKinley, Sandoval, and Bernalillo Counties as well as on Tribal lands. EPA is working with state, local, and federal partners to assess and address health risks and environmental effects of the mines.

The UNM respondent noted that this siting study would be located on the Homestake Uranium Mill Tailings Pile, a declared U.S. Environmental Protection Agency Superfund Site. “There are activities underway to stabilize the tailings pile to be studied and address ground water contamination.” Based on responses from the EMNRD, NMED, and TetraTech, these activities are directed by multiple federal, state, and tribal government agencies and funded with a combination of funds from these and other sources.

The UNM also noted that the purpose of the study is to relocate the tailings pile from its current location, which is near private residences. House Bill 512 may help this community identify alternative sites for the tailings pile, though it is unclear whether or how the study would differ from the studies already completed on options for relocation.

ADMINISTRATIVE IMPLICATIONS

The bill would provide funding to the UNM to conduct the study. There is no requirement to share or provide the study once completed with relevant federal, state, and tribal agencies that have authority over or expertise with uranium mining, tailings, and ground water contamination.

DUPLICATION

House Bill 512 is a duplicate of SB 498.

OTHER SUBSTANTIVE ISSUES

The Higher Education Department (HED) notes that the UNM did not submit this project as part of the FY14 budget request and review process. The HED has established a formal process for reviewing earmarked budget requests for institutions. The process includes approval by the institution's governing body and opportunities for analysis by the Department of Finance and Administration (DFA) and the LFC. The HED did not request funding for this project in FY14, and neither the LFC nor Executive recommendations included funding for this study.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without this study, the current activities reported by the UNM will continue – the tailings pile is being stabilized and ground water issues are being addressed in some manner.

THT/svb:blm