

LFC Requester:	Helen Gaussoin
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1-24-24
Bill No: SB 84

Sponsor: Sen. Jeff Steinborn
Short Title: FUNDS TO REMEDIATE ORPHANED OR ABANDONED SITES

Agency Name and Code State Land Office - 539
Number: _____
Person Writing Sunalei Stewart
Phone: 505-827-5755 **Email** sstewart@slo.state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
None	\$5 million	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
No Fiscal Impact	No Fiscal Impact	No Fiscal Impact		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	No Fiscal Impact	Indeterminate but Minimal	Indeterminate but Minimal			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

The bill would appropriate \$5 million from the general fund (non-reverting) to the New Mexico Environment Department (NMED) for expenditure in fiscal year 2025 and subsequent years for “the assessment, remediation, or reclamation of orphaned or abandoned sites.”

FISCAL IMPLICATIONS

While the HB 84 appropriation does not directly apply to the State Land Office, to the extent that the appropriated funds are used by the Environment Department on projects on state trust lands, the legislation could result in an undetermined, but minimal amount, of savings for the State Land Office.

SIGNIFICANT ISSUES

The bill does not define “orphaned or abandoned sites.” The State Land Office assumes the sponsor’s intention is to provide funding for certain sites under NMED’s regulatory purview, such as former uranium mining and milling sites, but clarification would be helpful. “Orphaned and abandoned sites” could also apply to oil and gas sites under the purview of the Oil and Conservation Division (OCD).

Regardless of the definition’s applicability, the ultimate purpose of the bill might best be served by ensuring that the appropriated monies are a funding source of last resort – that is, that NMED should take legal action against any remaining responsible private parties to recover cleanup costs so that state taxpayers are not forced indemnify mining companies for their irresponsible behavior. For example, with regard to the State Land Office Restoration and Remediation Fund, the agency must attempt to recover the costs of remediation projects from any person who may otherwise bear liability for that remediation project under the Voluntary Remediation Act, the New Mexico Mining Act, the Surface Mining Act, the Oil and Gas Act, the Water Quality Act, the Solid Waste Act or the Hazardous Waste Act. *See* NMSA 1978 § 19-1-11(D).

The State Land Office supports efforts to clean up legacy contamination that is threatening New Mexico’s residents, wildlife, water, and other natural resources. The bill’s efforts are harmonious with the State Land Office’s own recent initiatives focusing on the environmental and health

impacts related to oil and gas operations and other extractive industries, such as the creation of a new Environmental Compliance Office and the Oil and Gas Accountability and Enforcement Program, which has resulted in the plugging of over 400 inactive oil and gas wells at the expense of responsible private parties rather than taxpayers, and the cleanup of legacy spills on state land that had been ignored for many years.

In addition to the positive impact the bill would make for New Mexicans generally, the State Land Office – and by extension, the public schools and other trust beneficiaries – would benefit from cleanup of legacy contamination on state trust lands, for example the Section 2 and 36 Mines in the Ambrosia Lake subdistrict which are located on state trust lands.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

In an effort to ensure that the state attempts to recoup any incurred costs in incurs in assessing, remediating, or reclaiming orphaned or abandoned sites from responsible parties, the following amendment should be considered:

Page 1, line 20, after “sites” insert “provided that the agency attempts to recover the costs of such projects from any person who may otherwise bear liability”