

LFC Requester:

Gaussoin

AGENCY BILL ANALYSIS  
2024 REGULAR SESSION

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**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 Jan. 22, 2024

Bill No: SB84

Sponsor: Steinborn  
Short Title: RECLAMATION OF ABANDONED SITES  
Agency Name and Code: NMED-667  
Person Writing: John Rhoderick  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	5,000	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		513.0	513.0	1,026.0	yes	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: Appropriates \$5.0 million (GF, nonreverting) to NMED for use in FY25 and beyond for the assessment, remediation, or reclamation of orphaned or abandoned sites.

## **FISCAL IMPLICATIONS**

SB84 funds NMED to expand efforts to identify, characterize, and develop remediation plans for contaminated sites across New Mexico, including neglected contaminated sites associated with historic operations such as dry cleaners, mechanic shops, abandoned uranium mine and mill sites, and other sources of contamination around the state. The appropriation may also fund abatement and remediation activities when identified as appropriate through site characterization.

Characterization of these sites will require NMED to utilize the services of environmental contractors. NMED would need to add up to four (4) FTEs to manage and oversee the contracting process; manage contractor awards/progress; technically and fiscally approve contract deliverables; engage with communities, federal/state agencies, sovereign nations; develop progress reports; monitor progress and results; and perform other duties. NMED would need a staff comprised of one (1) Water Resource Manager and three (3) Water Resource Professionals 3 at an estimated cost for salaries and benefits of \$483,000 per year, with additional annual overhead expenses of about \$30,000. NMED would use the appropriation in HB84 for first-year costs.

A lack of funding is a significant obstacle for addressing risks from neglected site contamination. Current NMED staff are fully allocated to other duties and do not have time to spend on these sites. New Mexico does not have a state fund dedicated to the cleanup of neglected site contamination. A review of neglected site contamination programs in other states revealed expenditures for site investigation and cleanup, not including staff oversight, ranging from approximately \$1 million to \$10 million annually. Site-specific cleanup costs are highly variable depending on the nature and extent of the contamination and the hydrogeologic setting of the site. Cleanup costs exceeding \$200,000 per site are not unusual. Groundwater remediation typically costs well over \$1 million per site.

## **SIGNIFICANT ISSUES**

NMED has identified across the state, approximately 300 sites where historic operations such as dry cleaners were located, and approximately 200 abandoned uranium mine sites. Many of these sites have not been sufficiently characterized to determine if they can qualify for cleanup under Federal Superfund programs. SB84 provides funding for NMED to undertake these activities.

## **PERFORMANCE IMPLICATIONS**

SB84 funding will enhance NMED's ability to address contaminated sites, improving water quality and mitigating the threats stemming from neglected or abandoned contaminated sites and abandoned uranium mines, to our citizens.

## **ADMINISTRATIVE IMPLICATIONS**

None

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The Executive Budget Recommendation includes \$8 million to NMED for implementation of the fifty-year water plan, including development of a contaminated sites dashboard.

### **TECHNICAL ISSUES**

NMED is using the term ‘neglected’ sites for abandoned sites with no responsible party and that do not fall under a federal, state, tribal, or voluntary cleanup program. The agency stopped using the term ‘orphaned’ in order to distinguish contaminated sites from orphaned oil and gas sites.

### **OTHER SUBSTANTIVE ISSUES**

None

### **ALTERNATIVES**

None

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

The risk to public health and the environment from neglected and abandoned sites may not be mitigated due to a lack of available funding.

### **AMENDMENTS**

NMED suggests an amendment changing “orphaned or abandoned” to “neglected contaminated”.