

LFC Requester: _____

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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}

Date Prepared: 2/3/26 *Check all that apply:*
Bill Number: HB 153 Original Correction
 Amendment Substitute

Sponsor: Meredith A. Dixon **Agency Name and Code** EMNRD 521
Short Title: Low-Carbon Construction **Number:** _____
Material Rebate Act **Person Writing** Ben Bajema
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$25,000			

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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

House Bill 153 establishes a new Low-Carbon Construction Material Rebate Program within the Environment Department (NMED) to administer a new Low-Carbon Construction Material Rebate Fund to provide financial incentives to material buyers who purchase low-carbon construction material. HB 153 includes requirements and limits for eligible entities to access rebates and defines construction materials covered by the Act. The Act also requires NMED to establish emissions baselines and benchmarks for conventionally produced covered construction materials and sets requirements for environmental product declarations that provide a life-cycle assessment of a product's global warming potential and facilitate comparisons of environmental impacts between products fulfilling the same function. Environmental product declarations are required to be submitted to verify that a product qualifies for a rebate. Further details on environmental product declarations are included in House Bill 152.

FISCAL IMPLICATIONS

None for EMNRD.

SIGNIFICANT ISSUES

The proposed legislation authorizes NMED to adopt emissions benchmarks up to 15% below the established emissions baseline for each covered construction material. This authority strengthens the state's ability to reduce embodied carbon in construction materials and encourages the use of transparent, third-party verified data.

LEED v5, an internationally recognized green building framework, provides clear performance thresholds. Under LEED v5, projects can earn points towards certification when individual products carry environmental product declarations, similar to the product-level focus in HB153. However, LEED v5 also offers a broader, project-wide pathway: instead of evaluating each material separately, it allows projects to demonstrate Global Warming Potential reductions through a project-average approach, awarding even greater credit when the overall material package achieves a 20% or 40% reduction in Global Warming Potential. Because a project average approach evaluates cumulative impacts across all materials, it can achieve deeper emissions reductions than focusing on individual products alone.

The department may look to these LEED v5 thresholds, both product-specific and project-wide, when establishing rules, rebate pathways, and project credit caps: [**LEED v5 Building Design and Construction rating system | U.S. Green Building Council**](#). Aligning state benchmarks with this framework would ensure consistency, market clarity, and a strong foundation for accelerating embodied carbon reductions across the built environment in New Mexico.

HB 153 includes engineered wood as a covered construction material and will therefore provide a catalyst for market development of engineered wood products using slash and small diameter trees removed in wildfire risk reduction. The Forestry Division submitted a report on September 1, 2025 that was requested by the 2025 Senate Joint Memorial 1 "Forest Restoration and Economic Development" with recommendations for market-based incentives to accelerate forest thinning and wildfire mitigation and lower the overall cost of mitigation to the State. HB 153 includes the incentives named in the report for development of low-carbon construction products that also accomplish the statewide objective of reducing forest fuels that lead to catastrophic wildfire.

HB 153 would build upon the success of EMNRD’s existing programs that primarily reduce emissions from the buildings sector through energy efficiency. While initiatives such as the Community Energy Efficiency Development Program (CEED), Energy Savings Performance Contracts (ESCO), the Energy Efficiency Revolving Loan Fund (EERLF), Home Energy Efficiency Rebates (HEAR), Home Efficiency Rebates (HER), and the Sustainable Buildings Tax Credit (SBTC), have advanced operation energy reductions in commercial and residential buildings, HB 153 complements these efforts by directly targeting emissions associated with the embodied carbon in construction materials. This expands the state’s decarbonization strategy beyond energy *use* in buildings to address emissions across the *built* environment.

PERFORMANCE IMPLICATIONS

None for EMNRD.

ADMINISTRATIVE IMPLICATIONS

None for EMNRD.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to HB 152, the Environmental Product Declaration Act, which sets up the Environmental Product Declaration Program within NMED and supports the development and analysis of environmental product declarations required by HB 153.

HB 153 will put into action a recommendation from the report by EMNRD to the interim committees in response to 2025 Senate Joint Memorial 1, “Forest Restoration and Economic Development.”

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico will not have a program or funds to incentivize or verify the reduction of embodied carbon in construction materials and lower the impact of the built environment on global warming and wildfire risk reduction, which accelerates the increasing and cascading impacts of climate change, air pollution, and extreme weather events on current and future generations of New Mexicans.

AMENDMENTS