

LFC Requester:	Davidson
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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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: February 5, 2026 *Check all that apply:*
Bill Number: 153s Original Correction
 Amendment Substitute

Sponsor: Dixon **Agency Name and Code** NMED-667
Short Low-Carbon Construction Materials Rebate Act **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	25000	Unspent balance reverts at end of FY29	GF

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	1,069	777	1,846	Nonrecurring	GF

(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: House Energy, Environment and Natural Resources Committee Substitute for House Bill 153 (HB153s) enacts the Low-Carbon Construction Material Rebate Act in Sections 1 through 9 and the Environmental Product Declaration Act in Sections 10-13 preserving the intent of the originally introduced HB153 legislation and expanding it to include the content previously included in HB152. The Low-Carbon Construction Material Rebate Act allows buyers of low-

carbon construction materials to seek rebates with maximums of \$500,000 per project and \$10 million overall per fiscal year after meeting verification and certification requirements. If applications from material buyers for rebates exceed funding in the rebate fund, the Act prescribes how the department of environment shall prioritize the distribution of the rebate.

Section 3 of HB153s describes the required content of an environmental product declaration using independently verified information on the product's global warming potential life-cycle assessment; comparing the environmental impacts between products fulfilling the same function; and that the product meets or exceeds internationally recognized environmental product standards.

To administer the Low-Carbon Construction Material Rebate Act, HB153s requires NMED to promulgate rules to implement the program by January 1, 2027, including the application procedures, the required documentation, verification and audit requirements, the procedures for establishing and updating emissions baselines, emission benchmarks, rebate amounts, and antifraud and enforcement. Section 9 of the Low-Carbon Construction Materials Rebate Act determines that enforcement actions NMED may use should a material buyer of material supplier knowing submits false information or fraudulent documentation. Through rulemaking, NMED shall also establish baseline emissions for conventionally produced construction material, emissions benchmarks that may be 15% lower than the emission benchmark.

By October 1 of each year HB153s requires NMED to submit an annual report to the governor and the appropriate interim legislative committee and publish the outcomes of the program on its website. The report shall include: the number and value of rebates issued; the types and quantities of low-carbon construction material used by rebate recipients; the estimated greenhouse gas emissions reductions achieved; market availability and pricing trends for low-carbon construction material; details on program effectiveness; and recommendations for improvements.

HB153s appropriates \$25 million to NMED for FY27, 28 and 29, with the remaining unexpended balance reverting to the general fund at the end of FY29. NMED may expend no more than 5% of the appropriation for reasonable administrative costs.

HB153s changes section 6 subsection B by requiring the Environment Department to always prioritize distribution of rebates, not just in the event that applications for rebates exceed money in the low-carbon construction material rebate fund. The original prioritization criteria remain.

FISCAL IMPLICATIONS

For the first year of the program and to conduct the rulemaking for HB 153, Low-Carbon Construction Materials Rebate Act, ED will need \$1,069 thousand dollars for 1) 2 FTE program staff, 0.5 FTE legal staff, and 1 FTE ASD support (IT, HR, Financial, procurement, etc.) for \$3,500 thousand in the 200s; 2) \$500 thousand for consultant rulemaking support and rebate management software in the 300s; and 3) \$37 thousand for other program costs, including equipment, travel, notice, public and Tribal engagement, etc. in the 400s.

After the initial rulemaking year and beginning in FY28, ED will need will \$777 thousand for the continued administration of the program for 1) 1.5 FTE rebate program staff, 0.25 FTE legal staff, and 0.5 FTE ASD support (IT, HR, Financial, etc.) for \$352 thousand in the 200s; 2) \$400 thousand for consultant analyses, reporting, and software system support in the 300s; and 3) \$24 thousand for equipment, travel, public and Tribal engagement, advertisement and other expenses in the 400s. FY28 assumes a 3% increase in salaries.

The estimated costs of implementing and administering the three-year program is approximately 10% of the total appropriation and exceeds the administrative cost limit included in Section 14 of HB153s.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

The Environment Department administers multiple federal and state loan/grant programs related to critical infrastructure centered around water and wastewater, brownfields redevelopment, etc. In FY2025, the Environment Department awarded over \$70 million to communities for such infrastructure. Enacting HB153 may serve to accelerate critical infrastructure investments by increasing the scope and scale of such projects.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

The costs NMED included herein assume that the rules can be promulgated administratively within the Department, with the Secretary of NMED making the final determination.

The six-month rulemaking timeline for implementing this rebate program is short and requires a speedy turnaround for NM Environment Department to hire staff and consultants to promulgate rules by the prescribed deadline of January 1, 2027

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

HB153s will attract and encourage businesses that value lower to no environmental impact manufacturing and distribution of products.

AMENDMENTS

N/A