

LFC Requester:

Davidson

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.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}*

**Date Prepared:** February 5, 2026 *Check all that apply:*  
**Bill Number:** HB 319 Original  Correction   
 Amendment  Substitute

**Sponsor** Kristina Ortez **Agency Name and Code Number:** 667  
SOLID WASTE SURCHARGE  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	5,500	5,500	recurring	RAID

(Parenthesis ( ) indicate revenue decreases)

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

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	152	304	304	760	recurring	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: This bill creates the “Regenerative Waste Management Surcharge” to support the grants and programs made available through the Recycling, Circular Economy, and Illegal Dumping Act. It clarifies that organics recycling projects are eligible for the grant program. It establishes a \$2.00 per ton surcharge on every ton landfilled to aid in financing the bill’s intended actions. The surcharge is reduced to \$1.50 per ton for solid waste landfills with on-site composting capability; or who contract with a third-party organic composting company. The effective date of this bill is July 1, 2027, and the effective date of the grant program is January 1, 2028.

The Regenerative Waste Management Surcharge authorized by the Recycling, Circular Economy and Illegal Dumping Act, shall be considered a tax for purposes of the Tax Administration Act

#### **FISCAL IMPLICATIONS**

The Resource Recovery Bureau (RRB) has estimated revenue based on landfilled tonnage reported to the RRB in the 2023 Annual Report cycle. The 2023 Facility Annual Report Data as calculated for our current waste characterization analysis show that 3,163,700 tons of trash were disposed in New Mexico landfills.

- The total tons from landfills that do not report source-separated organics programs is 1.7 million tons and calculated at the \$2.00 a ton rate would generate \$3.4M.
- The total tons from landfills that do report organics diverted to composting is 1.4 million tons, and calculated at the \$1.50 per ton rate, would generate \$2.1M.

This is a significant amount of money that may be used for grants and other programs benefiting eligible entities. RRB anticipates that increased grant load and programmatic activity facilitated by the bill would necessitate two additional FTEs at \$152k each.

#### **SIGNIFICANT ISSUES**

Pass-through fees on landfilled tonnages are a fairly common means of providing revenue for recycling grants and departmental administrative costs in many other states. For instance, the State of Texas charges a \$1.50 a ton pass through fee that funds recycling grants. New Mexico has the Recycling, Circular Economy, and Illegal Dumping grants that are administered by the NMED Resource Recovery Bureau (RRB). These funds come from vehicle registrations and are shared with the Tourism Department for the Clean and Beautiful grants. The original Recycling and Illegal Dumping Act (RAID) focused on the problem of tires and illegal dumping of tires in the state, with only one-third of the funds available to recycling projects via the RAID Grants. Last year, HB 291 updated the RAID Act to the Recycling, Circular Economy, and Illegal Dumping Act, and removed the required two-third funds to tire projects. The new act adds the focus of building a *Circular Economy*, which means to see waste as a resource, and focus on the economic development and expanded recycling infrastructure needed to divert more materials from the landfill, including organic materials. This added focus needs additional funding, and the pass-

through fee mechanism is an established practice to increase the funds for recycling efforts. Each year, there are more requests than there are funds, but this added revenue would expand the ability, not only to add funding for more recycling infrastructure projects, but also to address and prevent illegal dumping, the historical first priority of the RAID Act.

The tiered fee structure, \$2.00 fee at landfills that do not divert organics and \$1.50 at landfills that do divert and compost organics- food and/or landscape waste- is an incentive for more organics diversion. The funds, as part of the RAID Grant program, would be available for eligible entities to apply for their needs to establish these programs. The bill allows the lower fee to landfills that have either composting on site, or an agreement with a third-party composter at another site to accept the materials. This encourages private sector compost facilities, which adds to the overall recycling infrastructure in the state. Additionally, it helps return vital organic matter back to soils, whether agricultural or residential, helping to ensure healthy soils needed to support New Mexico local food availability.

## **DEFINITIONS**

The Resource Recovery Bureau notes there are some definitions that are not complete or do not match the definitions already established in statute.

- Landfill- this definition is not correct and needs to be changed to match the definition found in NMAC 20.9.2.7.L (1).
- Solid Waste- the bill is using the correct definition as NMAC 20.9.2.7.S (9) but has left out subpoints (h)(l) and (p).

## **PERFORMANCE IMPLICATIONS**

N/A

## **ADMINISTRATIVE IMPLICATIONS**

The effective date of June 1, 2027, gives local governments and solid waste authorities time to implement new rates or explore organics diversion programs. RRB staffing will need to increase in FY 27, and other funds for this program are to be budgeted for FY28, when 12 full months of surcharge collections have been completed, and revenue collected added to the Recycling, Circular Economy, and Illegal Dumping (RAID) grant cycle.

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

This bill is a mirror of SB 47 (second Senate Conservation Committee Substitute). It is a companion to SB 46, which asks for an appropriation for RRB to study organics in the waste stream and potential market development for compost.

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

The Resource Recovery Bureau is currently developing two plans, the State Solid Waste Management Plan and the Circular Economy Plan, and these both involve stakeholder input. This includes strategies to address all kinds of waste streams with circular economy and extended producer responsibility initiatives. However, future legislation requests based on these strategies will need revenue, and they may be similar to this bill.

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

The Plans that are already underway for the Resource Recovery Bureau will contain strategies for organic wastes, and these are being developed from our solid waste stakeholder input, largely the same potential grantees for this bill. Not enacting the bill will not rule out strategies and programs and potential future legislative requests for additional funds to the grants but will delay the ability to implement major circular economy initiatives, and we will continue to have fewer funds available to eligible entities than they routinely request in the Recycling, Circular Economy, and Illegal Dumping Grant cycle.

#### **AMENDMENTS**