

LFC Requester:

Austin Davidson

### AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

#### SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/23/26

Check all that apply:

Bill Number: SB47

Original

Correction

Amendment

Substitute

Sponsor: Sen. Pete Campos

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Analysis: J. Spenser Lotz

Short Title: Food Recovery & Composting Act

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#### SECTION II: FISCAL IMPACT

##### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

##### 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)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis: This Act would establish a grant program within the Department of Environment (NMED) to provide funds to eligible composting-related entities. It would also establish an advisory group and implement a surcharge per ton of solid waste disposed, utilizing the surcharge to fund the grant program.

**Section 1** provides the short title: the Food Recovery and Composting Act.

**Section 2** provides definitions governing the Act. It defines composting and composting facilities as separate processes and facilities from standard solid waste facilities.

**Section 3** creates the “food recovery and composting program” within NMED to provide grants and education regarding food recovery, composting, and organic waste reduction. It empowers NMED to award grants, contract for services, provide education, and promulgate rules to administer the program. It further outlines standards to include in rulemaking as well as criteria for grantmaking.

**Section 4** establishes the “Food Recovery and Composting Advisory Group,” consisting of no more than 15 members, including at least 1 representative from each of 13 enumerated categories, including representatives from acequias, solid waste authorities, and local governments. Members of the group are appointed by the secretary of environment “to serve two-year terms as volunteers with no compensation, perquisite or allowance from the state for their services.” The group is responsible for making recommendations to NMED regarding grant applications and criteria, as well as develop programming to advance food recovery, composting, and organic waste reduction initiatives, with said programming to be administered by NMED.

**Section 5** establishes the “Food Recovery and Composting Fund” as a nonreverting fund in the state treasury. NMED is to administer the fund, which is to be used for grantmaking, contracting for services, and providing education regarding composting and organic waste reduction.

**Section 6** create a “surcharge” to be imposed on each solid waste facility operating within the state. The surcharge is \$3 per ton of solid waste processed, with facilities that have on-site composting paying a reduced surcharge of \$2 per ton. It provides that the surcharge shall be administered in accordance with the provisions of the Tax Administration Act. It also requires NMED to publish a report on the amount of money collected pursuant to this section at the beginning of each year starting in 2027.

**Section 7** amends the Tax Administration Act, NMSA 1978, § 7-1-2, to add “the food recovery and composting act” to the list of taxes governed by the Tax Administration Act.

**Section 8** amends the Tax Administration Act, NMSA 1978, § 7-1-6.74, to provide that the net receipts attributable to the food recovery and composting surcharge shall be distributed to the food recovery and composting fund.

**Section 9** establishes an effective date of July 1, 2026.

## **FISCAL IMPLICATIONS**

N/A

## **SIGNIFICANT ISSUES**

N/A

## **PERFORMANCE IMPLICATIONS**

N/A

## **ADMINISTRATIVE IMPLICATIONS**

N/A

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

This Bill is a companion to SB 46 - EXPLORE DIVERSION OF ORGANIC WASTE, which provides an appropriation and directs NMED to explore the diversion of organic waste from the waste stream. Organic waste is the feedstock for composting.

## **TECHNICAL ISSUES**

We note that the use of the word “surcharge” may be somewhat ambiguous in the context of the Tax Administration Act. However, because other similar acts use “surcharge,” “tax,” and “fee” relatively interchangeably, the use of “surcharge” is not atypical and is likely to be understood.

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

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

Status quo.

**AMENDMENTS**

N/A