

HOUSE ENERGY, ENVIRONMENT AND NATURAL RESOURCES
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 153

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

AN ACT

RELATING TO THE ENVIRONMENT; ENACTING THE LOW-CARBON
CONSTRUCTION MATERIAL REBATE ACT; ENACTING THE ENVIRONMENTAL
PRODUCT DECLARATION ACT; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. ~~[NEW MATERIAL]~~ SHORT TITLE.--Sections 1
through 9 of this act may be cited as the "Low-Carbon
Construction Material Rebate Act".

SECTION 2. ~~[NEW MATERIAL]~~ DEFINITIONS.--As used in the
Low-Carbon Construction Material Rebate Act:

A. "covered construction materials" means materials
used in a construction project, including cement, concrete,
asphalt binder, asphalt mixtures, aluminum, steel, glass,
roofing material, engineered wood and precast concrete;

B. "department" means the department of

.233534.4

underscored material = new
[bracketed material] = delete

1 environment;

2 C. "emissions baseline" means a calculation of the
3 industry-average greenhouse gas emissions associated with a
4 material;

5 D. "emissions benchmark" means the maximum
6 acceptable amount of greenhouse gas emissions associated with a
7 category of covered construction materials eligible for the
8 rebate;

9 E. "environmental product declaration" means a
10 declaration that is independently verified and provides a life-
11 cycle assessment of a product's global warming potential and
12 facilitates a comparison of environmental impacts among
13 products fulfilling the same function as set forth in Section 3
14 of the Low-Carbon Construction Material Rebate Act;

15 F. "global warming potential" means the quantity of
16 greenhouse gas emissions associated with a product expressed in
17 terms of carbon dioxide equivalent, expressed using a one-
18 hundred-year time horizon;

19 G. "low-carbon construction material" means a
20 covered construction material with a global warming potential
21 at or below the emissions benchmark established by the
22 department;

23 H. "material buyer" means a person purchasing low-
24 carbon construction material and using that material for
25 construction;

.233534.4

1 I. "material supplier" means a manufacturer,
2 producer or distributor of covered construction materials;

3 J. "program" means the low-carbon construction
4 material rebate program;

5 K. "project" means a construction project involving
6 more than one residential unit or more than five thousand
7 square feet of nonresidential floor area; and

8 L. "rebate" means a payment to a material buyer to
9 offset a portion of the cost of a qualifying purchase.

10 SECTION 3. [NEW MATERIAL] ENVIRONMENTAL PRODUCT
11 DECLARATIONS--REQUIREMENTS.--An environmental product
12 declaration shall:

13 A. be product- or facility-specific, unless the
14 department determines that only industry-average environmental
15 product declarations are available for a particular covered
16 material;

17 B. be independently verified;

18 C. facilitate a comparison of environmental impacts
19 between products fulfilling the same function;

20 D. meet or exceed internationally recognized
21 standards for environmental product declarations;

22 E. have been issued within five years of the date
23 submitted to the department; and

24 F. include:

25 (1) a life-cycle assessment of a product's

.233534.4

1 global warming potential;

2 (2) the manufacturing facility's location;

3 (3) the scope of life-cycle analysis;

4 (4) the date of issuance;

5 (5) the product's specifications and

6 performance characteristics; and

7 (6) additional information the department

8 deems necessary.

9 SECTION 4. ~~[NEW MATERIAL]~~ LOW-CARBON CONSTRUCTION

10 MATERIAL REBATE PROGRAM ESTABLISHED.--

11 A. The department shall establish and administer a
12 "low-carbon construction material rebate program" to provide
13 financial incentives to material buyers who purchase low-carbon
14 construction material.

15 B. Subject to appropriation, the program shall
16 provide rebates for low-carbon construction material purchased
17 by a material buyer subject to the requirements and limits
18 established in the Low-Carbon Construction Material Rebate Act.

19 C. By no later than January 1, 2027, the department
20 shall promulgate rules to implement the program, including:

21 (1) application procedures and required
22 documentation;

23 (2) verification and audit requirements;

24 (3) procedures for establishing and updating
25 emissions baselines, emissions benchmarks and rebate amounts;

.233534.4

underscoring material = new
[bracketed material] = delete

1 (4) requirements for environmental product
2 declarations; and

3 (5) antifraud and enforcement provisions.

4 SECTION 5. [NEW MATERIAL] EMISSIONS BASELINES AND
5 BENCHMARKS.--

6 A. The department shall establish emissions
7 baselines for conventionally produced covered construction
8 materials. Emissions baselines shall be based on regional
9 industry-average emissions data, or the best available data
10 source as determined by the department, and shall be updated
11 every three years.

12 B. Emissions benchmarks adopted by the department
13 may be fifteen percent lower than the emissions baseline for
14 each material.

15 C. The department shall review and may adjust
16 emissions baselines and emissions benchmarks every three years
17 to reduce emissions levels over time. The department shall not
18 increase allowable emissions levels without legislative
19 authorization.

20 SECTION 6. [NEW MATERIAL] REBATE STRUCTURE--LIMITS.--

21 A. Material buyers shall be eligible for rebates
22 for low-carbon construction material, subject to the following
23 limits:

24 (1) a maximum rebate of five hundred thousand
25 dollars (\$500,000) per project; and

.233534.4

underscored material = new
[bracketed material] = delete

1 (2) a maximum rebate of ten million dollars
2 (\$10,000,000) statewide per fiscal year.

3 B. The department shall prioritize distribution of
4 rebates based on:

5 (1) greatest emissions reductions relative to
6 the emissions baseline for an equivalent conventionally
7 produced material per dollar of rebate;

8 (2) greatest emissions reductions relative to
9 the emissions baseline for an equivalent conventionally
10 produced material per unit of material;

11 (3) material produced by New Mexico-based
12 manufacturers; and

13 (4) other criteria as determined by the
14 department.

15 SECTION 7. [NEW MATERIAL] VERIFICATION AND CERTIFICATION
16 REQUIREMENTS.--

17 A. To receive a rebate, a material buyer shall
18 submit:

19 (1) an environmental product declaration for
20 the low-carbon construction material;

21 (2) evidence of the price paid for the low-
22 carbon construction material and the person that paid the
23 price; and

24 (3) any additional documentation required by
25 the department.

.233534.4

1 B. The department may conduct audits and
2 inspections to verify compliance with program requirements and
3 may require additional documentation or testing.

4 **SECTION 8. [NEW MATERIAL] REPORTING.--**

5 A. The department shall submit an annual report to
6 the governor and the appropriate interim legislative committee
7 by October 1 of each year detailing:

- 8 (1) the number and value of rebates issued;
- 9 (2) types and quantities of low-carbon
10 construction material used by rebate recipients;
- 11 (3) estimated greenhouse gas emissions
12 reductions achieved;
- 13 (4) market availability and pricing trends for
14 low-carbon construction material; and
- 15 (5) program effectiveness and recommendations
16 for improvements.

17 B. The department shall make rebate awards and
18 program data publicly available on its website.

19 **SECTION 9. [NEW MATERIAL] ANTIFRAUD PROVISIONS.--**

20 A. A material buyer or material supplier who
21 knowingly submits false information or fraudulent documentation
22 to obtain rebates under the Low-Carbon Construction Material
23 Rebate Act is guilty of a fourth degree felony pursuant to
24 Section 31-18-15 NMSA 1978 and shall be:

- 25 (1) permanently disqualified from

.233534.4

underscored material = new
[bracketed material] = delete

1 participating in the program;

2 (2) required to repay all rebates received
3 through fraud; and

4 (3) subject to debarment from state
5 procurement.

6 B. The department shall establish procedures for
7 investigating suspected fraud and shall cooperate with law
8 enforcement authorities in prosecution of a claim of fraud.

9 SECTION 10. [NEW MATERIAL] SHORT TITLE.--Sections 10
10 through 13 of this act may be cited as the "Environmental
11 Product Declaration Act".

12 SECTION 11. [NEW MATERIAL] DEFINITIONS.--As used in the
13 Environmental Product Declaration Act:

14 A. "covered material" includes:

15 (1) concrete and concrete mixtures, including
16 ready-mix concrete, shotcrete, precast concrete and concrete
17 masonry units;

18 (2) cement;

19 (3) asphalt binder and asphalt mixtures;

20 (4) steel;

21 (5) glass;

22 (6) roofing materials;

23 (7) insulation materials;

24 (8) engineered wood; and

25 (9) aluminum;

1 B. "department" means the department of
2 environment;

3 C. "embodied carbon" means the greenhouse gas
4 emissions generated by the manufacturing, transportation,
5 installation, maintenance and disposal of covered materials
6 used in buildings, roads and other infrastructure;

7 D. "environmental product declaration" means a
8 declaration that is independently verified, provides a life-
9 cycle assessment of a product's global warming potential and
10 facilitates a comparison of environmental impacts between
11 products fulfilling the same function; and

12 E. "global warming potential" means the quantity of
13 greenhouse gas emissions associated with a product expressed as
14 the carbon dioxide equivalent.

15 SECTION 12. [NEW MATERIAL] ENVIRONMENTAL PRODUCT
16 DECLARATION PROGRAM--CREATED--AUTHORITY--POWERS AND DUTIES.--

17 A. The "environmental product declaration program"
18 is created in the department to enable the department to:

19 (1) assist manufacturers of covered materials
20 with the creation of environmental product declarations that
21 shall be shared with the department;

22 (2) receive and analyze data associated with a
23 manufacturer's environmental product declarations; and

24 (3) research options for reducing embodied
25 carbon in state construction projects.

.233534.4

underscored material = new
~~[bracketed material] = delete~~

1 B. The department shall administer the program.

2 C. The department may contract for services to
3 assist manufacturers of covered materials with the creation of
4 environmental product declarations that shall be shared with
5 the department.

6 D. On or before January 1, 2027, the department
7 shall promulgate rules to implement the Environmental Product
8 Declaration Act, including rules on environmental product
9 declaration verification and auditing procedures and on
10 reporting requirements and formats.

11 E. No later than October 1, 2027 and October 1
12 every year thereafter, the department shall publish a report
13 that includes:

14 (1) the number of environmental product
15 declarations provided to the department, organized by type of
16 covered material;

17 (2) the geographic distribution of
18 manufacturing facilities;

19 (3) an assessment of the number of businesses
20 within the state that manufacture covered materials and are
21 equipped to issue environmental product declarations;

22 (4) an assessment of the progress made in
23 creating environmental product declarations for covered
24 materials;

25 (5) recommendations for reducing embodied

1 carbon in state construction projects; and

2 (6) recommendations for program improvements.

3 SECTION 13. [NEW MATERIAL] ENVIRONMENTAL PRODUCT

4 DECLARATIONS--REQUIREMENTS.--An environmental product

5 declaration shall:

6 A. be product- or facility-specific, unless the
7 department determines that only industry-average environmental
8 product declarations are available for a particular covered
9 material;

10 B. be independently verified;

11 C. facilitate a comparison of environmental impacts
12 between products fulfilling the same function;

13 D. meet or exceed internationally recognized
14 standards for environmental product declarations;

15 E. have been issued within five years of the date
16 submitted to the department; and

17 F. include:

18 (1) a life-cycle assessment of a product's
19 global warming potential;

20 (2) the manufacturing facility's location;

21 (3) the scope of life-cycle analysis;

22 (4) the date of issuance;

23 (5) the name and credentials of the
24 independent verifier;

25 (6) the product's specifications and

.233534.4

1 performance characteristics; and

2 (7) additional information the department
3 deems necessary.

4 SECTION 14. APPROPRIATION.--Twenty-five million dollars
5 (\$25,000,000) is appropriated from the general fund to the
6 department of environment for expenditure in fiscal years 2027
7 through 2029 to provide rebates pursuant to the low-carbon
8 construction material rebate program. The department may
9 expend no more than five percent of the appropriated amount for
10 the reasonable administrative cost of providing the rebates and
11 for administering the Environmental Product Declaration Act.
12 Any unexpended balance remaining at the end of fiscal year 2029
13 shall revert to the general fund.

14 SECTION 15. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2026.

underscored material = new
[bracketed material] = delete