

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 47

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

AN ACT

RELATING TO WASTE MANAGEMENT; IMPOSING A SURCHARGE ON SOLID
WASTE DISPOSAL TO SUPPORT GRANTS AVAILABLE UNDER THE RECYCLING,
CIRCULAR ECONOMY AND ILLEGAL DUMPING ACT; CLARIFYING THAT
COMPOSTING, FOOD RECOVERY AND ORGANIC WASTE REDUCTION
INITIATIVES ARE ELIGIBLE FOR GRANTS UNDER THE RECYCLING,
CIRCULAR ECONOMY AND ILLEGAL DUMPING ACT; DISTRIBUTING THE
REVENUE ATTRIBUTABLE TO THE SURCHARGE TO THE RECYCLING AND
ILLEGAL DUMPING FUND.

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

SECTION 1. Section 7-1-2 NMSA 1978 (being Laws 1965,
Chapter 248, Section 2, as amended) is amended to read:

"7-1-2. APPLICABILITY.--The Tax Administration Act
applies to and governs:

A. the administration and enforcement of the

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1 following taxes or tax acts as they now exist or may hereafter
2 be amended:

- 3 (1) Income Tax Act;
- 4 (2) Withholding Tax Act;
- 5 (3) Oil and Gas Proceeds and Pass-Through
6 Entity Withholding Tax Act;
- 7 (4) Gross Receipts and Compensating Tax Act,
8 Interstate Telecommunications Gross Receipts Tax Act and Leased
9 Vehicle Gross Receipts Tax Act;
- 10 (5) Liquor Excise Tax Act;
- 11 (6) Local Liquor Excise Tax Act;
- 12 (7) any municipal local option gross receipts
13 tax or municipal compensating tax;
- 14 (8) any county local option gross receipts tax
15 or county compensating tax;
- 16 (9) Special Fuels Supplier Tax Act;
- 17 (10) Gasoline Tax Act;
- 18 (11) petroleum products loading fee, which fee
19 shall be considered a tax for the purpose of the Tax
20 Administration Act;
- 21 (12) Alternative Fuel Tax Act;
- 22 (13) Cigarette Tax Act;
- 23 (14) Estate Tax Act;
- 24 (15) Railroad Car Company Tax Act;
- 25 (16) Investment Credit Act, rural job tax

1 credit, Laboratory Partnership with Small Business Tax Credit
 2 Act, Technology Jobs and Research and Development Tax Credit
 3 Act, Film Production Tax Credit Act, Affordable Housing Tax
 4 Credit Act and high-wage jobs tax credit;

5 (17) Corporate Income and Franchise Tax Act;

6 (18) Uniform Division of Income for Tax
 7 Purposes Act;

8 (19) Multistate Tax Compact;

9 (20) Tobacco Products Tax Act;

10 (21) the telecommunications relay service
 11 surcharge imposed by Section 63-9F-11 NMSA 1978, which
 12 surcharge shall be considered a tax for the purposes of the Tax
 13 Administration Act;

14 (22) the Insurance Premium Tax Act;

15 (23) the Health Care Quality Surcharge Act;

16 (24) the Cannabis Tax Act; and

17 (25) the Health Care Delivery and Access Act;

18 B. the administration and enforcement of the
 19 following taxes, surtaxes, advanced payments or tax acts as
 20 they now exist or may hereafter be amended:

21 (1) Resources Excise Tax Act;

22 (2) Severance Tax Act;

23 (3) any severance surtax;

24 (4) Oil and Gas Severance Tax Act;

25 (5) Oil and Gas Conservation Tax Act;

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- 1 (6) Oil and Gas Emergency School Tax Act;
- 2 (7) Oil and Gas Ad Valorem Production Tax Act;
- 3 (8) Natural Gas Processors Tax Act;
- 4 (9) Oil and Gas Production Equipment Ad

5 Valorem Tax Act;

- 6 (10) Copper Production Ad Valorem Tax Act;

7 (11) any advance payment required to be made
8 by any act specified in this subsection, which advance payment
9 shall be considered a tax for the purposes of the Tax

10 Administration Act;

- 11 (12) Enhanced Oil Recovery Act;

12 (13) Natural Gas and Crude Oil Production
13 Incentive Act; and

14 (14) intergovernmental production tax credit
15 and intergovernmental production equipment tax credit;

16 C. the administration and enforcement of the
17 following taxes, surcharges, fees or acts as they now exist or
18 may hereafter be amended:

- 19 (1) Weight Distance Tax Act;

20 (2) the workers' compensation fee authorized
21 by Section 52-5-19 NMSA 1978, which fee shall be considered a
22 tax for purposes of the Tax Administration Act;

- 23 (3) Uniform Unclaimed Property Act (1995);

24 (4) 911 emergency surcharge and the network
25 and database surcharge, which surcharges shall be considered

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1 taxes for purposes of the Tax Administration Act;

2 (5) the solid waste assessment fee authorized
 3 by the Solid Waste Act, which fee shall be considered a tax for
 4 purposes of the Tax Administration Act;

5 (6) the water conservation fee imposed by
 6 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
 7 for the purposes of the Tax Administration Act; ~~and~~

8 (7) the gaming tax imposed pursuant to the
 9 Gaming Control Act; and

10 (8) the regenerative waste management
 11 surcharge authorized by the Recycling, Circular Economy and
 12 Illegal Dumping Act, which surcharge shall be considered a tax
 13 for purposes of the Tax Administration Act; and

14 D. the administration and enforcement of all other
 15 laws, with respect to which the department is charged with
 16 responsibilities pursuant to the Tax Administration Act, but
 17 only to the extent that the other laws do not conflict with the
 18 Tax Administration Act."

19 SECTION 2. A new section of the Tax Administration Act,
 20 Section 7-1-6.74 NMSA 1978, is enacted to read:

21 "7-1-6.74. [NEW MATERIAL] DISTRIBUTION--REGENERATIVE
 22 WASTE MANAGEMENT SURCHARGE.--A distribution pursuant to the
 23 provisions of Section 7-1-6.1 NMSA 1978 of the net receipts
 24 attributable to the regenerative waste management surcharge
 25 shall be distributed to the recycling and illegal dumping

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1 fund."

2 SECTION 3. Section 74-13-3 NMSA 1978 (being Laws 2005,
3 Chapter 171, Section 3, as amended) is amended to read:

4 "74-13-3. DEFINITIONS.--As used in the Recycling,
5 Circular Economy and Illegal Dumping Act:

6 A. "abatement" means to reduce in amount, degree or
7 intensity or to eliminate;

8 B. "agricultural use" means the beneficial use of
9 scrap tires in conjunction with the operations of a farm or
10 ranch that includes construction projects and aids in the
11 storage of feed;

12 C. "alliance" means the recycling, circular economy
13 and illegal dumping alliance;

14 D. "board" means the environmental improvement
15 board;

16 E. "circular economy" means an economy that uses a
17 systems-focused approach and involves industrial processes and
18 economic activities that:

19 (1) are restorative or regenerative by design;
20 (2) enable resources used in such processes
21 and activities to maintain their highest values for as long as
22 possible; and

23 (3) aim for the elimination of waste through
24 the superior design of materials, products and systems,
25 including business models;

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1 F. "civil engineering application" means the use of
 2 scrap tires or other recycled material in conjunction with
 3 other aggregate materials in engineering applications;

4 G. "composting" means the process by which
 5 biological decomposition of organic material is carried out
 6 under controlled conditions and the process stabilizes the
 7 organic fraction into a material that can be easily and safely
 8 stored, handled and used in an environmentally acceptable
 9 manner;

10 H. "composting facility" means a facility, other
 11 than a transformation facility, that:

12 (1) is capable of providing biological
 13 stabilization of organic material;

14 (2) accepts only source-separated compostable
 15 materials; and

16 (3) is registered with the department;

17 [~~H.~~] I. "cooperative association" means a refuse
 18 disposal district created pursuant to the Refuse Disposal Act,
 19 a sanitation district created pursuant to the Water and
 20 Sanitation District Act, a special district created pursuant to
 21 the Special District Procedures Act or other associations
 22 created pursuant to the Joint Powers Agreements Act or the
 23 Solid Waste Authority Act;

24 [~~I.~~] J. "department" means the department of
 25 environment;

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1 ~~[J.]~~ K. "dispose" means to deposit scrap tires or
2 solid waste into or on any land or water;

3 ~~[K.]~~ L. "household" means any single and multiple
4 residence, hotel or motel, bunkhouse, ranger station, crew
5 quarters, campground, picnic ground or day-use recreation area;

6 ~~[L.]~~ M. "illegal dumping" means disposal of trash,
7 scrap tires or any solid waste in a manner that violates the
8 Solid Waste Act or the Recycling, Circular Economy and Illegal
9 Dumping Act;

10 ~~[M.]~~ N. "illegal dumpsite" means a place where
11 illegal dumping has occurred, except as stated in Subsection A
12 of Section 74-13-4 NMSA 1978;

13 ~~[N.]~~ O. "market development" means activities to
14 expand or create markets for recyclable and reusable materials
15 that foster a circular economy;

16 ~~[O.]~~ P. "motor vehicle" means a vehicle or device
17 that is propelled by an internal combustion engine or electric
18 motor power that is used or may be used on the public highways
19 for the purpose of transporting persons or property and
20 includes any connected trailer or semitrailer;

21 ~~[P.]~~ Q. "processing" means techniques to change
22 physical, chemical or biological character or composition of
23 solid waste but does not include composting, transformation or
24 open burning;

25 ~~[Q.]~~ R. "recycling" means any process by which

1 recyclable materials are collected, separated or processed and
2 reused or returned to use in the form of raw materials or
3 products;

4 ~~[R.]~~ S. "reuse" means the return of a commodity
5 into the economic stream without a change to its original form;

6 ~~[S.]~~ T. "scrap tire" means a tire that is no longer
7 suitable for its originally intended purpose because of wear,
8 damage or defect;

9 ~~[T.]~~ U. "scrap tire baling" means the process by
10 which scrap tires are mechanically compressed and bound into
11 block form;

12 ~~[U.]~~ V. "scrap tire generator" means a person who
13 generates scrap tires, including retail tire dealers,
14 retreaders, scrap tire processors, automobile dealers,
15 automobile salvage yards, private company vehicle maintenance
16 shops, garages, service stations and city, county and state
17 government but does not include persons who generate scrap
18 tires in a household or in agricultural operations;

19 ~~[V.]~~ W. "scrap tire hauler" means a person who
20 transports scrap tires for hire for the purpose of recycling,
21 disposal, transformation or use in a civil engineering
22 application;

23 ~~[W.]~~ X. "secretary" means the secretary of
24 environment;

25 Y. "solid waste" means any discarded material

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1 destined for landfill disposal, incineration or other final
2 disposal at a solid waste facility, not including segregated or
3 source-separated materials that are rescued, reused, composted
4 or diverted for beneficial use;

5 Z. "solid waste facility" includes:

6 (1) an incinerator;

7 (2) a solid waste transfer station;

8 (3) a landfill or landfill system; and

9 (4) other facilities accepting mixed solid

10 waste;

11 ~~[X.]~~ AA. "tire" means a continuous solid or
12 pneumatic rubber covering that encircles the wheel of a motor
13 vehicle;

14 ~~[Y.]~~ BB. "tire-derived fuel" means whole or chipped
15 tires that produce a low sulfur, high-heating-value fuel;

16 ~~[Z.]~~ CC. "tire-derived product" means a usable
17 product produced from the processing of a scrap tire but does
18 not include baled tires;

19 ~~[AA.]~~ DD. "tire recycling" means a process in which
20 scrap tires are collected, stored, separated or reprocessed for
21 reuse as a different product or shredded into a form suitable
22 for use in rubberized asphalt or as raw material for the
23 manufacture of other products; ~~[and~~

24 ~~BB.]~~ EE. "tire recycling facility" means a place
25 operated or maintained for tire recycling but does not include:

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1 (1) retail business premises where tires are
 2 sold, if no more than five hundred loose scrap tires or two
 3 thousand scrap tires, if left in a closed conveyance or
 4 enclosure, are kept on the premises at one time;

5 (2) the premises of a tire retreading
 6 business, if no more than three thousand scrap tires are kept
 7 on the premises at one time;

8 (3) premises where tires are removed from
 9 motor vehicles in the ordinary course of business, if no more
 10 than five hundred scrap tires are kept on the premises at one
 11 time;

12 (4) a solid waste facility having a valid
 13 permit or registration issued pursuant to the provisions of the
 14 Solid Waste Act or regulations adopted pursuant to that act or
 15 registration issued pursuant to the Environmental Improvement
 16 Act; or

17 (5) a site where tires are stored or used for
 18 agricultural uses; and

19 FF. "transformation facility" means a facility that
 20 changes the physical, chemical or energy state of solid waste
 21 to reduce the volume, change the energy or create new products
 22 out of the solid waste."

23 SECTION 4. Section 74-13-17 NMSA 1978 (being Laws 2005,
 24 Chapter 171, Section 17, as amended) is amended to read:

25 "74-13-17. GRANTS--ELIGIBILITY--APPLICATIONS.--

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1 A. A municipality, county, Indian nation, pueblo or
2 tribe, land grant community, acequia, soil and water
3 conservation district, cooperative association or solid waste
4 authority that meets eligibility requirements established by
5 the board may apply for a grant for providing funds to public
6 landfills to offset the cost of collecting or recycling of
7 tires, purchase equipment, perform marketing, purchase products
8 produced by a recycling facility, provide educational outreach,
9 develop recycling infrastructure, support and advance
10 wide-scale composting and food recovery efforts as well as
11 other initiatives to reduce the amount of organic waste
12 entering the solid waste stream, abate illegal dumpsites or
13 contract with vendors to promote recycling and to abate illegal
14 dumpsites consistent with provisions of the Recycling, Circular
15 Economy and Illegal Dumping Act. The first priority for
16 funding shall be abatement of illegal scrap tire dumpsites and
17 the recycling of scrap tires.

18 B. Nothing in this section prohibits a
19 municipality, county, Indian nation, pueblo or tribe, land
20 grant community or cooperative association from contracting for
21 services to complete an abatement action."

22 SECTION 5. A new section of the Recycling, Circular
23 Economy and Illegal Dumping Act is enacted to read:

24 "[NEW MATERIAL] REGENERATIVE WASTE MANAGEMENT SURCHARGE.--

25 A. A surcharge is imposed on each solid waste

1 facility. The surcharge shall be in an amount equal to three
2 dollars (\$3.00) per ton of solid waste processed at the solid
3 waste facility. The owner or operator of a solid waste
4 facility that owns or operates an on-site composting facility
5 shall pay a reduced surcharge of two dollars (\$2.00) per ton of
6 solid waste processed at the solid waste facility. The
7 surcharge shall be assessed once on solid waste destined for
8 final disposal. If the surcharge is assessed before the solid
9 waste has reached its final disposal destination, that assessed
10 value shall be recorded and the surcharge shall be collected
11 once the waste reaches its final disposal destination. The
12 surcharge imposed pursuant to this section may be referred to
13 as the "regenerative waste management surcharge".

14 B. The surcharge imposed by this section shall be
15 administered in accordance with the provisions of the Tax
16 Administration Act and shall be paid to the taxation and
17 revenue department by each solid waste facility that processes
18 solid waste pursuant to Subsection A of this section in the
19 form and manner required by that department on or before the
20 twenty-fifth day of the month following the month in which the
21 solid waste is processed. The taxation and revenue department
22 may retain an administrative fee of up to three percent of the
23 amount collected.

24 C. Beginning June 30, 2027 and every June 30
25 thereafter, the department shall publish a report on the amount

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1 of money collected pursuant to this section, broken down by the
2 number of tons of solid waste processed at each solid waste
3 facility."

4 SECTION 6. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is January 1, 2027.