HOUSE BILL 319

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

INTRODUCED BY

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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 FOOD RECOVERY, COMPOSTING 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 following taxes or tax acts as they now exist or may hereafter

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be amended:

(1) Income Tax Act;

(2) Withholding Tax Act;

(3) Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act;

(4) Gross Receipts and Compensating Tax Act, Interstate Telecommunications Gross Receipts Tax Act and Leased Vehicle Gross Receipts Tax Act;

(5) Liquor Excise Tax Act;

(6) Local Liquor Excise Tax Act;

(7) any municipal local option gross receipts tax or municipal compensating tax;

(8) any county local option gross receipts tax or county compensating tax;

(9) Special Fuels Supplier Tax Act;

(10) Gasoline Tax Act;

(11) petroleum products loading fee, which fee shall be considered a tax for the purpose of the Tax Administration Act;

(12) Alternative Fuel Tax Act;

(13) Cigarette Tax Act;

(14) Estate Tax Act;

(15) Railroad Car Company Tax Act;

(16) Investment Credit Act, rural job tax credit, Laboratory Partnership with Small Business Tax Credit

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Act, Technology Jobs and Research and Development Tax Credit Act, Film Production Tax Credit Act, Affordable Housing Tax Credit Act and high-wage jobs tax credit;

(17) Corporate Income and Franchise Tax Act;

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

(19) Multistate Tax Compact;

(20) Tobacco Products Tax Act;

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

(22) the Insurance Premium Tax Act;

(23) the Health Care Quality Surcharge Act;

(24) the Cannabis Tax Act; and

(25) the Health Care Delivery and Access Act;

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

(1) Resources Excise Tax Act;

(2) Severance Tax Act;

(3) any severance surtax;

(4) Oil and Gas Severance Tax Act;

(5) Oil and Gas Conservation Tax Act;

(6) Oil and Gas Emergency School Tax Act;

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(7) Oil and Gas Ad Valorem Production Tax Act;

(8) Natural Gas Processors Tax Act;

(9) Oil and Gas Production Equipment Ad Valorem Tax Act;

(10) Copper Production Ad Valorem Tax Act;

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

(12) Enhanced Oil Recovery Act;

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

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

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

(1) Weight Distance Tax Act;

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

(3) Uniform Unclaimed Property Act (1995);

(4) 911 emergency surcharge and the network and database surcharge, which surcharges shall be considered taxes for purposes of the Tax Administration Act;

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

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

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

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

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

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

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

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

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

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

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

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

D. "board" means the environmental improvement board;

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

(1) are restorative or regenerative by design;

(2) enable resources used in such processes and activities to maintain their highest values for as long as possible; and

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

F. "civil engineering application" means the use of

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scrap tires or other recycled material in conjunction with other aggregate materials in engineering applications;

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

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

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

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

(3) is registered with the department;

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

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

[~~J.~~] K. "dispose" means to deposit scrap tires or

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solid waste into or on any land or water;

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

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

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

O. "landfill" means a solid waste facility having a valid permit or registration issued pursuant to the provisions of the Solid Waste Act or regulations adopted pursuant to that act or registration issued pursuant to the Environmental Improvement Act that receives solid waste for disposal;

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

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

[~~P.~~] R. "processing" means techniques to change

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physical, chemical or biological character or composition of solid waste but does not include composting, transformation or open burning;

[~~Q.~~] S. "recycling" means any process by which recyclable materials are collected, separated or processed and reused or returned to use in the form of raw materials or products;

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

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

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

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

[~~V.~~] X. "scrap tire hauler" means a person who transports scrap tires for hire for the purpose of recycling, disposal, transformation or use in a civil engineering

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application;

[~~W.~~] Y. "secretary" means the secretary of environment;

Z. "solid waste" means any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant or air pollution control facility and other discarded material, including solid, liquid, semisolid or contained gaseous material resulting from industrial, commercial, mining and agricultural operations and from community activities. "Solid waste" does not include:

(1) drilling fluids, produced waters and other non-domestic wastes associated with the exploration, development or production, transportation, storage, treatment or refinement of crude oil, natural gas, carbon dioxide gas or geothermal energy;

(2) fly ash waste, bottom ash waste, slag waste and flue gas emission control waste generated primarily from the combustion of coal or other fossil fuels and wastes produced in conjunction with the combustion of fossil fuels that are necessarily associated with the production of energy and that traditionally have been and actually are mixed with and are disposed of or treated at the same time with fly ash, bottom ash, boiler slag or flue gas emission control wastes from coal combustion;

(3) waste from the extraction, beneficiation

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and processing of ores and minerals, including phosphate rock and overburden from the mining of uranium ore, coal, copper, molybdenum and other ores and minerals;

(4) agricultural waste, including, but not limited to, manures and crop residues returned to the soil as fertilizer or soil conditioner;

(5) cement kiln dust waste;

(6) sand and gravel;

(7) solid or dissolved material in domestic sewage or solid or dissolved materials in irrigation return flows or industrial discharges that are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act, 33 U.S.C. Section 1342, or source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, 42 U.S.C. Section 2011 et seq.;

(8) densified-refuse-derived fuel; or

(9) any material regulated by Subtitle C of the federal Resource Conservation and Recovery Act of 1976, substances regulated by the federal Toxic Substances Control Act or low-level radioactive waste;

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

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

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

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

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

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

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

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

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

Act; or

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

FF. "transformation" means incineration, pyrolysis, distillation, gasification or biological conversion other than composting."

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

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

A. A municipality, county, Indian nation, pueblo or tribe, land grant community, acequia, soil and water conservation district, cooperative association or solid waste authority that meets eligibility requirements established by the board may apply for a grant:

(1) for providing funds to public landfills to offset the cost of collecting or recycling of tires, purchase equipment, perform marketing, purchase products produced by a recycling facility, provide educational outreach, develop recycling infrastructure, abate illegal dumpsites or contract with vendors to promote recycling and to abate illegal dumpsites consistent with provisions of the Recycling, Circular Economy and Illegal Dumping Act; and

(2) to support and advance wide-scale composting and food recovery efforts, as well as other initiatives to reduce the amount of organic waste entering the

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solid waste stream.

B. The first priority for funding shall be abatement of illegal scrap tire dumpsites and the recycling of scrap tires.

[~~B. Nothing in this section prohibits a municipality, county, Indian nation, pueblo or tribe, land grant community or cooperative association from contracting for services to complete an abatement action.~~]

C. A grantee may contract for services to carry out the purposes of Subsection A of this section."

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

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

A. A surcharge is imposed on each landfill operating within the state. The surcharge shall be in an amount equal to two dollars ($2.00) per ton of solid waste accepted for disposal at the landfill. The owner or operator of a landfill that owns or operates an on-site composting facility or that diverts source-separated organic waste to a composting facility shall pay a reduced surcharge of one dollar fifty cents ($1.50) per ton of solid waste accepted for disposal at the landfill. The surcharge imposed pursuant to this section may be referred to as the "regenerative waste management surcharge".

B. The surcharge imposed by this section shall be

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administered in accordance with the provisions of the Tax Administration Act and shall be paid to the taxation and revenue department by each landfill that accepts solid waste pursuant to Subsection A of this section in the form and manner required by that department on or before the twenty-fifth day of the month following the month in which the solid waste is accepted. The taxation and revenue department may retain an administrative fee of up to three percent of the amount collected.

C. Beginning June 30, 2028 and every June 30 thereafter, the department shall publish a report on the amount of money collected pursuant to this section, broken down by the number of tons of solid waste accepted for disposal at each landfill."

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

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