

HOUSE BILL 153

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

INTRODUCED BY

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AN ACT

RELATING TO THE ENVIRONMENT; ENACTING THE LOW-CARBON
CONSTRUCTION MATERIAL REBATE ACT; CREATING A FUND; MAKING
APPROPRIATIONS.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--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
environment;

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

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

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

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

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

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

25 I. "material supplier" means a manufacturer,

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1 producer or distributor of covered construction materials;

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

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

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

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

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

16 B. be independently verified;

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

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

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

23 F. include:

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

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- 1 (2) the manufacturing facility's location;
- 2 (3) the scope of life-cycle analysis;
- 3 (4) the date of issuance;
- 4 (5) the product's specifications and
- 5 performance characteristics; and

- 6 (6) additional information the department
- 7 deems necessary.

8 SECTION 4. [NEW MATERIAL] LOW-CARBON CONSTRUCTION
9 MATERIAL REBATE PROGRAM ESTABLISHED.--

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

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

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

- 20 (1) application procedures and required
- 21 documentation;
- 22 (2) verification and audit requirements;
- 23 (3) procedures for establishing and updating
- 24 emissions baselines, emissions benchmarks and rebate amounts;
- 25 (4) requirements for environmental product

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1 declarations; and

2 (5) antifraud and enforcement provisions.

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

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

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

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

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

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

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

25 (2) a maximum rebate of ten million dollars

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1 (\$10,000,000) statewide per fiscal year.

2 B. If applications for rebates exceed money in the
3 low-carbon construction material rebate fund, the department
4 shall prioritize distribution of 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.

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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

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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]~~ LOW-CARBON CONSTRUCTION
10 MATERIAL REBATE FUND.--

11 A. The "low-carbon construction material rebate
12 fund" is created as a nonreverting fund in the state treasury.
13 The fund consists of appropriations, gifts, grants and
14 donations for the purposes of the provisions of the Low-Carbon
15 Construction Material Rebate Act. No more than twenty percent
16 of the money in the fund is appropriated to the department for
17 the administration of the program established pursuant to the
18 Low-Carbon Construction Material Rebate Act. Disbursements
19 from the fund shall be made by warrant of the department of
20 finance and administration upon vouchers signed by the
21 secretary of environment or the secretary's authorized
22 representative.

23 B. The department may use money in the fund for
24 costs related to administering the program.

25 SECTION 11. APPROPRIATION.--Twenty-five million dollars
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1 (\$25,000,000) is appropriated from the general fund to the low-
2 carbon construction material rebate fund for expenditure in
3 fiscal year 2027 and subsequent fiscal years for the payment of
4 rebates pursuant to Section 4 of the Low-Carbon Construction
5 Material Rebate Act. Any unexpended balance remaining at the
6 end of a fiscal year shall not revert to the general fund.

7 SECTION 12. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2026.

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