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FISCAL IMPACT REPORT

SPONSOR: Bratton DATE TYPED: 02/15/01 HB 701
 SHORT TITLE: Regulation of Management of Used Oil SB _____
 ANALYST: Belmares

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Department of Environment
 Hazardous Waste Act

SUMMARY

Synopsis of Bill

House Bill 801 amends the Hazardous Waste Act by including a definition of “used oil” and by giving the Environmental Improvement Board (EIB) the authority to adopt regulations concerning the management of used oil that are equivalent to and not more stringent than federal regulations adopted by the federal Environmental Protection Agency pursuant to the federal Resource Conservation and Recover Act of 1976, as amended.

Significant Issues

The Department of Environment is the State of New Mexico agency that oversees the handling and disposal of hazardous waste in accordance with New Mexico’s Hazardous Waste Act. The Department of Environment’s authority is delegated by the federal Environmental Protection Agency (EPA).

Under existing law, used oil itself is not considered hazardous waste. However, used oil is often contaminated with solvents that can make it a hazardous waste. The Environmental Protection Agency established maximum concentrations of such contaminants allowed in used oil before it is considered to be hazardous waste and developed its “used oil regulations” (40 CFR 279). The EPA required all states that administer the federal hazardous waste program, including New Mexico, adopt the federal “used oil regulations” by 1995. However, because New Mexico’s Hazardous Waste Act does not currently define “used oil,” New Mexico has been unable to adopt this rule and is the only state that is not in conformance with the EPA mandate. Currently, entities that manage used oil in

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New Mexico must comply with two sets of regulations: those that New Mexico adopted, and those the Federal Government has adopted.

The Department of Environment asserts New Mexico's authority to receive and manage funding from the federal Environmental Protection Agency to run its hazardous waste would be jeopardized if the New Mexico did not modify used oil regulations to reflect the federal regulations for used oil.

FISCAL IMPLICATIONS

No fiscal implications have been identified.

EB/njw:ar