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FISCAL IMPACT REPORT

SPONSOR Trujillo, Ulibarri ORIGINAL DATE 01/20/11
LAST UPDATED _____ HB 40
SHORT TITLE Abandoned Mine Reclamation Act Jurisdiction SB _____
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		(\$4.0 – \$5.0)			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 40 amends the Abandoned Mine Reclamation Act (ACT) to bring the Act into conformance with changes to the federal Surface Mine Control and Reclamation Act of 1977, as amended (SMCRA).

FISCAL IMPLICATIONS

EMNRD reports it receives an annual grant between \$1.5 and \$5 million that does not require a state match. This money is used to safeguard and reclaim abandoned mines that pose a threat to public health and safety or the environment. The Abandoned Mine Land (AML) program at EMNRD is supported by 100% federal funds which come from the Department of the Interior.

EMNRD further reports that to receive SMCRA Title 4 AML grant funds, the State must have a program approved by the Secretary of the Interior that includes the legal authority to perform the work. The Secretary has the authority to withdraw his approval if a program is no longer in compliance with federal requirements.

SIGNIFICANT ISSUES

The intent of the bill is to make state law consistent with the federal governing law (SMCRA) so the State can continue to receive federal grants for abandoned mine reclamation Rather than try

to incorporate the many changes to SMCRA into the Act, HB 40 adds references to the definitions and priorities in SMCRA and deletes the lists of priorities previously embodied in the Act.

Proposed revisions to the Act:

- Amends the definition of “eligible lands and water” to include all land and water that is eligible for expenditures under SMCRA;
- Revises the expenditure priority sections to reference the priorities and objectives of SMCRA;
- Deletes the requirement to expend funds within 3 years as SMCRA has different expenditure deadlines for different grant years; and
- Expands the exemption from potential lien liability for landowners.

PERFORMANCE IMPLICATIONS

EMNRD believes that loss of SMCRA funds would hurt its ability to achieve goals related to the assessment of abandoned uranium mines.

OTHER SUBSTANTIVE ISSUES

The purpose of the New Mexico Abandoned Mine Reclamation Act was to allow the State to develop the Abandoned Mine Land program under Title 4 of SMCRA and thereby enable the State to receive federal grant funds for the safeguarding and reclamation of abandoned mines in New Mexico. New Mexico has an estimated 15,000 mine openings that may pose a health and safety threat to the public. The State has safeguarded over 2,000 mine openings and reclaimed numerous acres of mine disturbances under the program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EMNRD further reports that its federal grants for abandoned mine reclamation under SMCRA may be at risk.

AHO/mew