

LFC Requester:

Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to billanalysis@dfa.nm.gov****(Analysis must be uploaded as a PDF)****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 03/17/2025*Check all that apply:***Bill Number:** HB291Original ☐ Correction ☐Amendment ☒ Substitute ☐**Sponsor:** Romero**Agency Name
and Code
Number:**New Mexico Environmental
Department 667**Short Title:** Recycling & State's Circular
Economy**Person Writing**Rick Shean**Phone:** (505) 629-
6494**Email:** Rick.Shean@env.nm.gov
[ov](#)**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	0	0
0	0	0	0

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	0	0
0	0	0	0	0

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	280	280	560	Recurring	RAID

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Amending the Recycling and Illegal Dumping (RAID) Act to promote the state's circular economy; updates the RAID grant eligibility to eliminate the two-thirds requirement of RAID grant funding to be awarded to tire projects; and eliminates the requirement that a facility receive 95% of waste from New Mexico sources. It requires the Environmental Improvement Board to adopt requirements and procedures for a person to submit rules to the board for adoption; and requires the board to determine whether to hold a hearing within sixty (60) days.

The House Energy and Natural Resources Committee amendment HGEIC1 235081.1 amended the introduced bill to remove the addition of non-profit organizations to the list of eligible entities allowed to apply for the RAID grants. A friendly amendment on the House Floor was made by Representative Jonathon Henry to un-strike language that states “the first priority for funding shall be abatement of illegal scrap tire dumpsites and the recycling of scrap tires.”

FISCAL IMPLICATIONS

This bill creates two positions in the Environment Department, a Recycling Education Coordinator and a Circular Economy Coordinator. NMED estimates these positions to cost \$280,000 annually, beginning in FY26. These positions are to be funded by the RAID fund, which was created to provide grants for tire, illegal dumping, and recycling projects for local governments and tribal entities from vehicle registration fees. The average yearly amount deposited into this fund over the last three years is \$1.016M. There have been historically unspent funds each year, as there are not always enough tire projects to make the two-thirds goal. NMED believes there is sufficient funding available on a recurrent basis to support these positions, which will develop, promote and implement programs that support the overall goals of the Recycling, Circular Economy, and Illegal Dumping Act.

SIGNIFICANT ISSUES

This modification and update of the RAID Act will allow NMED to expand eligible grant awards, develop full-time positions, and create and implement a circular economy plan. A Circular Economy approach uses industrial and economic activities to ensure resources are utilized to their highest potential and aims to eliminate waste and toxicity through better design of both products and systems. These changes serve as a foundation for dealing with hard-to-handle waste products that threaten public health and the environment, while attracting economic development.

The RAID grant program was created to address the serious issue of illegal dumping, especially of tires, in the State. Although NMED continually funds projects for local governments and eligible entities to clean up these sites, new ones appear. This bill would allow the NMED and outside parties to approach the Environmental Improvement Board (EIB) with proposals that could be implemented through the rule-making process to address the handling of commonly dumped materials at end-of-life.

The RAID Alliance was created by the RAID Act to evaluate grant applications and award them according to a recycling plan. This amendment would direct the Alliance to work with staff to develop a Circular Economy plan, which widens the playing field and opens the doors to update the approach to recycling and illegal dumping issues. Currently, the RAID Act directs these grant awards to give two-thirds of the funds to tire-related projects, and only one-third of the funds to other recycling projects. By eliminating this directive, NMED can work with eligible entities to address the issue in a more holistic way, with a goal of building markets, keeping resources in the state, and building a more Circular Economy.

PERFORMANCE IMPLICATIONS

New performance measures will be developed with a current update to the State Solid Waste Management Plan; however, certain performance measures should be targeted within the Circular Economy Plan. These measures would be the targets by which RAID grant awards are measured against, both as part of the initial evaluation process, and for the end of each project.

ADMINISTRATIVE IMPLICATIONS

Any new state rule the Environment Department develops regulating solid waste requires review and adoption by the Environmental Improvement Board through the rulemaking process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill will complement the SB225 which will increase fines for illegal dumping specified in the RAID Act.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico has very few recycling manufacturers in the state, and the lack of end markets for materials collected through recycling programs limits the ability of local governments and waste management entities to offer affordable collection programs. The status quo of recycling vs. landfilling will likely continue if the state does not encourage the economic development needed to establish end markets.

Additionally, the ability to bring innovative ideas to the EIB may allow NMED to address hard-to-handle waste in new ways, which could alleviate illegal dumping, and lessen the need for the two-thirds funding in RAID to address tires. Illegal dumping will likely continue as usual if we do not enact this bill.

Historically there have not been sufficient tire-related projects to spend the available grants in RAID fund to achieve the required two-thirds/one-third mix of approved applications. Most applications are by far more recycling proposals. Not enacting this bill will continue NMED's inability to fund all of the requests from local governments, tribal entities and solid waste authorities proposing to address their unique recycling needs. In turn, HB 291 provides a steady and dependable stream of materials that recycling manufacturers need to invest in our State.

AMENDMENTS

None.