

LFC Requester:	Jonas Armstrong
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date January 29, 2015
Bill No: SB285

Sponsor: Sen. Phil A. Griego
Short Title: Interstate Mining Compact

Agency Code: Attorney General's Office
Person Writing Roscoe A. Woods, AAG
Phone: 505.827.7411 **Email** rwoods@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis:

SB285 is an interstate compact, a contract between member states, that would enable New Mexico, via the Governor or representative thereof, along with member states to assure that mining will be conducted in accordance with sound conservation principals with due regard for local conditions advancing the following:

1. Advance the protection and restoration of land, water and other resources affected by mining;
2. Assist in the reduction or elimination or counteracting of pollution or deterioration of land, water and air attributable to mining;
3. Encourage, with due recognition of relevant regional, physical, and other differences, programs in each of the party States which will achieve comparable results in protecting, conserving, and improving the usefulness of natural resources, to the end that the most desirable conduct of mining and related operations may be universally facilitated;
4. Assist the party States in their efforts to facilitate the use of land and other resources affected by mining, so that such use may be consistent with sound land use, public health, and public safety, and to this end to study and recommend, wherever desirable, techniques for the improvement, restoration or protection of such land and other resources; and,
5. Assist in achieving and maintaining an efficient and productive mining industry and in increasing economic and other benefits attributable to mining.

SB285 creates an agency of the member/party states known as the Interstate Mining Commission (Commission), which will be composed of one commissioner (Governor or designee) from each party state. The Commission will be tasked with formulating and establishing an effective program for the conservation and use of mined land, by the establishment of standards, enactment of laws, or continuing of same in force.

The Commission will be empowered, *inter alia*, to establish by-laws, employ individuals, establish and maintain such facilities as may be necessary, and may borrow, accept, or contract for the services for the transaction of its business.

The Commission will be funded by an appropriation from the party / member states as follows: one-half in equal shares, and the remainder in proportion to the value of minerals, ores, and other solid matter mined—employing such available public source or sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states.

FISCAL IMPLICATIONS

None for the AGO

SIGNIFICANT ISSUES

On its face, SB285 and the Commission created thereto appears to have no regulatory power but rather serves as a recommendatory or consultative body. It however is a governmental body subject to applicable sunshine laws and regulations.

From a public policy perspective, SB285 certainly serves as a means to facilitate a coordinated and multi-state effort to improve mined lands and reduce mal-effects of same. **However, the New Mexico Mining and Mineral Division of the New Mexico Mining Commission is already empowered to do same within the state on NM pursuant to the Energy, Minerals and Natural Resources Department Act, 1978 NMSA, Section 9-5A-1 *et seq.***

It appears that the “Interstate Mining Compact Commission” exists. Currently, 22 states have enacted legislation bringing them into the Compact. See <http://www.imcc.isa.us/>. SB285 upon being enacted will enable NM to be part of the Compact.

Apparently the Interstate Mining Compact and Commission has created the Mine Safety and Health committee, and if SB285 is enacted, **said committee may conflict with the existing New Mexico Mining Safety Board.**

As mentioned, the Committee’s budget is appropriated by the member states. Thus, it would be funded utilizing a portion of NM resources. According to the New Mexico Economic Development, “[m]ore than \$2.8 billion worth of minerals were extracted from New Mexico mines in 2012, representing an increase of \$1 billion from 2010. Mineral extraction employs more than 6,800 and provided \$43.2 million in revenue to the state in 2012. New Mexico ranks first in potash, perlite and zeolite production, third in copper production, and 12th in coal production nationally. In 2012 more than 1.5 pounds of potash was produced with a value of \$953 million, almost double 2010 production levels (quoting EMNRD). Available at http://www.gonm.biz/Natural_Resources.aspx/. This may be advantageous for the Commission and its interstate members?

In light of the above-mentioned, it may cumulative and redundant to appropriate funds away from existing NM agencies that have similar initiatives.

ADMINISTRATIVE IMPLICATIONS

None for AGO.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP WITH BILLS INTRODUCED THIS SESSION

None apparent.

TECHNICAL ISSUES

None for AGO

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo—New Mexico Mining and Mineral Division, New Mexico Mining Commission and the New Mexico Mining Safety Board.

AMENDMENTS

None.