

# New Mexico Recycling Policy Priorities

As prepared by the New Mexico Recycling Coalition  
September 2011

In an effort to help effectively guide state-level elected officials in selecting high impact, relevant recycling-related legislation, these two priorities were selected by the NMRC Board of Directors.

The objective of these policies would **increase community-funding** for recycling activities and support recycled-material end-market **business development**.

## Recycling and Illegal Dumping Act (RAID) Restructuring

The current bill charges \$.50 per registered NM vehicle to support tire recycling grants (2/3 of the fund) and recycling and illegal dumping grants (1/3 of fund). Restructuring could involve changing the relative distribution of the fund between tire recycling and recycling/illegal dumping and/or increasing the registration fee. Currently the fund generates up to \$600,000 per year. There is also a clause that could fund the initial higher costs for the state to use Rubberized Asphalt made from recycled tires on projects.

Bill Reference for Updated Legislation: 2005 SB194 Sen. Dede Feldman.

Menu of Options:

Option	Available Funds	Funding for Tire Projects	Direct Funding for Recycling	Funding for Illegal Dumping Projects
Current RAID Status	\$600,000	\$400,000 (2/3 of fund)	\$100,000 (half of 1/3 of fund)	\$100,000 (half of 1/3 of fund)
Split funds equally between tires, recycling and illegal dumping	\$600,000	\$300,000	\$150,000	\$150,000
Fund tire recycling in odd years, recycling and illegal dumping in even years	\$600,000	\$600,000 in odd years		
	\$600,000		\$300,000 in even years	\$300,000 in even years
Increase fee \$.50 coupled with proposed options for distribution of funds	\$1,200,000	\$600,000	\$300,000	\$300,000
	\$1,200,000	\$1,200,000 odd years		
	\$1,200,000		\$600,000 even years	\$600,000 even years
Assess fees to re-instate Rubberized Asphalt Fund	Note: At least \$1,000,000 needed			

## Recycled-Content/Processing Business Tax Credit

This policy would allow for a 5-10% tax credit to businesses who process recyclables and/or who create recycled-content products. This would be a form of market development to ideally encourage new business to locate in NM. Utah serves as a model that creates regionalized business sectors and other states have used a straightforward equipment tax credit structure.

The Utah model offers a 5% tax credit on the investment of machinery and equipment, 20% state income tax credit on operating expenses (up to \$2,000) and technical assistance from recycling professionals (state and state recycling NPO). From 1997-2007, \$192,000 in equipment investments have been made, creating 1,900 jobs with a payroll of \$39,200,000. For the state of Utah, this has generated \$2,000,000 in state sales tax and \$1,500,000 in state income tax. Locally, this has generated \$800,000 in local sales tax and \$12,600,000 in local property tax. The return on investment is \$2.87 for every dollar invested through the tax credit.