

Inflation Reduction Act raises more revenue for N.M. schools

Written by By Paige Knight, MPP For New Mexico Voices for Children
Friday, 09 September 2022 02:35



The Land of Enchantment's natural resources are invaluable to New Mexicans. From the rivers and streams, to the forests and valleys, there is much to treasure, appreciate, and protect from a changing climate. Thankfully, with the passage of the Inflation Reduction Act, our air, land, and water – together with thousands of New Mexico's children and families – will receive sweeping investments to help protect what we hold dear.

There is plenty to celebrate in this landmark legislation. The Investment Reduction Act will reduce pollution and help cut carbon emissions by 40% by 2030. It will improve clean transit, make clean energy more affordable and accessible, and strengthen our community's resilience to the changing climate.

New Mexicans will benefit with lower energy costs, good-paying jobs, more energy-efficient homes and businesses, cleaner air, funding for wildfire prevention and drought preparedness, and important investments for frontline communities who have borne the brunt of toxic pollution.

The Act also makes some long-overdue changes to the Department of Interior's antiquated oil and gas leasing program. Under federal law, New Mexicans are supposed to receive "fair market value for the use of public lands and their resources."

Inflation Reduction Act raises more revenue for N.M. schools

Written by By Paige Knight, MPP For New Mexico Voices for Children
Friday, 09 September 2022 02:35

This is why we require oil and gas companies to pay rents and royalties for what they use and extract. But unfortunately, our communities and our classrooms have not been getting their fair share of oil and gas revenues for decades due to severely outdated rental and royalty rates.

Thanks to the Inflation Reduction Act, New Mexico's communities and classrooms will finally start to get a fairer return for the natural resources that belong to all of us. Oil and gas companies will now pay a higher royalty rate on new leases – 16.66%, up from 12.5% – for the first time in a century.

The minimum bid amount for a lease has also been increased, and non-competitive bidding is eliminated. New federal oil and gas leases will also be subject to higher rental rates, helping ensure that companies do not stockpile leases and pay fair market value.

These reforms will help maximize the value of our public lands and provide critical funding for economic diversification as we work to swiftly transition away from oil and gas.

With continued federal action, we can build on this tremendous progress and further protect our climate, improve the health of our communities, and advance climate justice.

First, the DOI needs to continue reforming the oil and gas leasing system with a promised rulemaking. Bonding rates still need to be increased so oil and gas companies are fully responsible for clean-up costs in the event of bankruptcy. Working New Mexicans should not be stuck paying the bill for the thousands of orphaned wells the industry leaves behind.

The Environmental Protection Agency (EPA) is also currently considering their own rules to reduce methane and other harmful pollution. A supplemental proposal will be released in the coming weeks, and we urge the EPA to ensure that necessary improvements are made to better protect the climate and frontline communities, like ensuring frequent inspections at any polluting wells and stopping the wasteful practice of routine flaring.

And finally, given that the Act mandates another ten years of continued oil and gas leasing, the Biden Administration must leverage the authority it has to avoid and minimize further harm to

Inflation Reduction Act raises more revenue for N.M. schools

Written by By Paige Knight, MPP For New Mexico Voices for Children
Friday, 09 September 2022 02:35

frontline communities and compensate them for having to live in energy sacrifice zones.

We thank Senator Heinrich, Senator Lujan, Representative Stansbury, and Representative Leger Fernandez for voting for – and advocating on behalf of – the Inflation Reduction Act. This legislation helps ensure that future generations have a clean, secure, and healthy Land of Enchantment.

By Paige Knight, MPP
For New Mexico Voices for Children