

HOUSE BILL 108

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

## INTRODUCED BY

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AN ACT

RELATING TO SPECIAL DISTRICTS; REQUIRING A SOIL AND WATER CONSERVATION DISTRICT TO LEVY TAXES UPON REQUEST OF A WATERSHED DISTRICT WITHIN THE SOIL AND WATER CONSERVATION DISTRICT'S BOUNDARIES; CLARIFYING DEFINITIONS; CLARIFYING THE PROCEDURE FOR APPOINTING DIRECTORS OF A WATERSHED DISTRICT'S BOARD OF DIRECTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 73-20-2 NMSA 1978 (being Laws 1957, Chapter 210, Section 2, as amended) is amended to read:

"73-20-2. DEFINITIONS.--As used in the Watershed District  
Act:

A. "directors" or "board of directors" means the directors of [the] a watershed [districts] district; and

[B. "minority jurisdiction district" means a soil

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1 and ~~water conservation district that has within its~~  
2 ~~jurisdiction a minority of the land in a watershed district;~~  
3 and

4 C.] B. "supervisors" or "board of supervisors"  
5 means the supervisors of a soil and water conservation  
6 [districts] district in which the watershed district is  
7 located."

8 SECTION 2. Section 73-20-12 NMSA 1978 (being Laws 1957,  
9 Chapter 210, Section 12, as amended) is amended to read:

10 "73-20-12. DIRECTORS--APPOINTMENT.--

11 A. A watershed district shall be governed by a  
12 board of directors appointed by the board of supervisors for  
13 the soil and water conservation district in which the watershed  
14 district is located. Except as provided in Subsection C of  
15 this section, a board of directors shall consist of five  
16 directors ~~[provided that, when available, one director shall be~~  
17 ~~a current or former elected director of the watershed~~  
18 ~~district].~~.

19 B. When appointing the initial directors for a  
20 watershed district, [a] the board of supervisors shall appoint  
21 two members to serve terms of two years and three members to  
22 serve terms of four years. Thereafter, new ~~[appointments]~~  
23 members appointed to the watershed district board shall be for  
24 terms of four years. Vacancies occurring before the expiration  
25 of a term shall be filled by appointment for the unexpired

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1 remainder of a term.

2                   C. If the territory embraced within a watershed  
3 district lies within more than one soil and water conservation  
4 district, each ~~minority jurisdiction district shall be~~  
5 ~~entitled to appoint three additional directors~~ soil and water  
6 conservation district having a minority of the land in the  
7 watershed district shall be entitled to appoint three  
8 additional directors. When appointing the additional  
9 directors, ~~[a]~~ the board of supervisors shall appoint one  
10 director to serve a term of two years and two directors to  
11 serve terms of four years. Thereafter, ~~[new directors]~~ each  
12 director shall be appointed for ~~[terms]~~ a term of four years.  
13 ~~[All]~~ Vacancies shall be filled by appointment by the ~~minority~~  
14 ~~jurisdiction districts]~~ original appointing entity for the  
15 remainder of an unexpired term.

16                   D. The board of directors shall annually elect from  
17 its membership a chair, secretary and treasurer. The treasurer  
18 shall execute an official bond for the faithful performance of  
19 the duties of office to be approved by the board of directors.  
20 The bond shall be executed with at least three solvent personal  
21 sureties whose solvency shall exceed the amount of the bond, or  
22 by a surety company authorized to do business in this state,  
23 and shall be in an amount determined by the board of directors.  
24 If the treasurer is required to execute a surety company bond,  
25 the premium of the bond shall be paid by the board of

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1       directors.

2               E. The board of directors shall prepare and submit  
3 to the department of finance and administration such reports as  
4 it may require from among those required to be submitted by  
5 other political subdivisions."

6               SECTION 3. Section 73-20-13 NMSA 1978 (being Laws 1957,  
7 Chapter 210, Section 13, as amended) is amended to read:

8               "73-20-13. AUTHORITY.--Subject to the approval of the  
9 board of supervisors, the board of directors of a watershed  
10 district shall have power to:

11               A. request the board of supervisors to levy an  
12 annual assessment on the real property within the watershed  
13 ~~district, [within the limitations]~~ subject to the requirements  
14 provided in Subsection A of Section 73-20-17 NMSA 1978, for  
15 administration, construction, operation and maintenance of  
16 works of improvement within and without the district as are  
17 required by the district in the performance of its functions;

18               B. acquire by purchase, gift, grant, bequest,  
19 devise or through condemnation proceedings in the manner  
20 provided in the Eminent Domain Code property or rights of way  
21 necessary for the exercise of any authorized function of the  
22 district; provided that no property or water rights shall be  
23 condemned for the purposes of recreation;

24               C. construct, improve, operate, contract for and  
25 maintain such structures as may be necessary for the

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1 performance of any function authorized by the Watershed  
2 District Act;

3                   D. borrow money necessary for the purpose of  
4 acquiring rights of way and establishing, constructing,  
5 reconstructing, repairing, enlarging and maintaining the  
6 structures and improvements required by the district in the  
7 performance of its functions and repay these loans with the  
8 proceeds of the annual assessment provided for in Subsection A  
9 of this section or by the issuance, negotiation and sale of its  
10 bonds as provided in Section 73-20-14 NMSA 1978; and

11                   E. receive and grant assistance and cooperate with  
12 counties, municipalities and state and federal agencies in  
13 carrying out the provisions of the Watershed District Act."

14                   **SECTION 4.** Section 73-20-15 NMSA 1978 (being Laws 1961,  
15 Chapter 233, Section 3, as amended) is amended to read:

16                   **"73-20-15. LOANS--REPAYMENTS--**

17                   A. In addition to the borrowing of money by the  
18 issuance of bonds for the purposes set out in Section 73-20-13  
19 NMSA 1978, the district may borrow money from the United States  
20 department of agriculture or any other federal agency if the  
21 loan can be repaid according to its terms by use of the levy  
22 authorized by Subsection A of Section 73-20-17 NMSA 1978 and  
23 the board of supervisors has so determined.

24                   B. The district may also borrow money from the  
25 United States department of agriculture or any other federal

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1 agency [and levy an assessment not to exceed five dollars  
2 (\$5.00) on each one thousand dollars (\$1,000) of net taxable  
3 value, as that term is defined in the Property Tax Code, of  
4 property subject to taxation by the district, in addition to  
5 others authorized by the Watershed District Act, to repay the  
6 loan if the board of directors determines the rate of the levy  
7 required and:

8 (1) secures the approval of the board of  
9 supervisors;

10 (2) a referendum on the acceptance of the loan  
11 for specified purposes is held;

12 (3) two-thirds of the landowners voting favor  
13 the proposal; and

14 (4) the procedures of Sections 73-20-8 through  
15 73-20-11 NMSA 1978 as to notice, qualifications of voters and  
16 manner of holding referendum election are followed in the  
17 referendum held under this section] if the loan can be repaid  
18 according to its terms by use of the levy authorized by  
19 Subsection B of Section 73-20-17 NMSA 1978."

20 SECTION 5. Section 73-20-17 NMSA 1978 (being Laws 1957,  
21 Chapter 210, Section 16, as amended) is amended to read:

22 "73-20-17. BUDGETS--TAX LEVY--LIMITATION.--

23 A. Within the first quarter of each calendar year,  
24 the board of directors shall prepare an itemized budget of the  
25 funds needed for administration, construction, operation and

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1 maintenance of works of improvement and submit the budget to  
2 the board of supervisors for approval. After approval of the  
3 budget ~~[by the board of supervisors]~~, the board of ~~[directors]~~  
4 supervisors shall, by order or resolution, levy an assessment  
5 sufficient to meet the budget, not to exceed five dollars  
6 (\$5.00), or any lower maximum amount required by operation of  
7 the rate limitation provisions of Section 7-37-7.1 NMSA 1978  
8 upon the assessment authorized by this section, on each one  
9 thousand dollars (\$1,000) of net taxable value, as that term is  
10 defined in the Property Tax Code, of all real property subject  
11 to taxation within the district, except that the limit on  
12 assessments does not apply to any levy necessary to provide a  
13 sinking fund for retirement of bonds authorized by Section  
14 73-20-13 NMSA 1978. If a watershed district lies within more  
15 than one soil and water conservation district, the board of  
16 supervisors in each soil and water conservation district shall  
17 approve of the budget submitted by the watershed district  
18 before an assessment may be levied pursuant to this subsection.  
19 A copy of the budget and order or resolution shall be certified  
20 to the county assessor of the county or counties involved and  
21 to the department of finance and administration by July 15 of  
22 each year.

23 B. Upon receipt of a resolution adopted and  
24 submitted by the board of directors, the board of supervisors  
25 shall levy an assessment not to exceed five dollars (\$5.00) on

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1       each one thousand dollars (\$1,000) of net taxable value, as  
2       that term is defined in the Property Tax Code, of property  
3       subject to taxation by the board of supervisors, in addition to  
4       the levy authorized by Subsection A of this section, to repay  
5       the loan if the board of supervisors approves of the levy and:  
6                (1) a referendum on the acceptance of the loan  
7       for specified purposes is held by the board of supervisors;  
8                (2) two-thirds of the landowners vote in favor  
9       of the proposal; and  
10               (3) the procedures of Sections 73-20-8 through  
11       73-20-11 NMSA 1978 as to notice, qualifications of voters and  
12       manner of holding a referendum election are followed in the  
13       referendum held pursuant to this subsection."

14       **SECTION 6.** Section 73-20-18 NMSA 1978 (being Laws 1957,  
15       Chapter 210, Section 17, as amended) is amended to read:

16       **"73-20-18. ASSESSMENT LISTS.--**

17               A. The board of directors shall prepare a list of  
18       the landowners within the defined boundaries of the watershed  
19       district in each county involved showing the number of acres  
20       subject to assessment and deliver it to the county assessor of  
21       the county involved. The assessor shall indicate the  
22       information on the tax rolls.

23               B. The county assessor shall compute the assessment  
24       due the district from each landowner in accordance with the  
25       rate fixed by the board of [directors] supervisors and the

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1 value of the real property indicated on the tax roll. The  
2 computation shall be made on the regular tax bills in the  
3 manner as may be directed by regulation of the property tax  
4 division of the taxation and revenue department."

5 **SECTION 7.** Section 73-20-20 NMSA 1978 (being Laws 1957,  
6 Chapter 210, Section 19, as amended) is amended to read:

7 "73-20-20. EXPENDITURES.--Assessment funds collected  
8 shall be transferred to and held by the treasurer of the  
9 watershed district for the specific purpose for which they have  
10 been collected. All expenditures of such funds shall be made  
11 by the board of directors upon order and approval of the [board  
12 ~~approved by the~~] board of supervisors of the soil and water  
13 conservation district ~~[or districts]~~ involved."

14 **SECTION 8.** Section 73-20-45 NMSA 1978 (being Laws 1965,  
15 Chapter 137, Section 19, as amended) is amended to read:

16 "73-20-45. SPECIFIC POWERS OF DISTRICTS.--A district, by  
17 and through its supervisors, is authorized to:

18 A. sue and be sued in the name of the district;

19 B. adopt an official seal;

20 C. contract, convey and make and execute other  
21 instruments and documents necessary or convenient to the  
22 exercise of district powers;

23 D. borrow money and otherwise contract indebtedness  
24 for the purposes of the district and, without limitation of the  
25 generality of the foregoing, borrow money and accept grants

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1 from the United States or from a corporation or agency created  
2 or designated by the United States and, in connection with any  
3 such loan or grant, enter into agreements as the United States  
4 or the corporation or agency may require; and issue its notes  
5 or obligations therefor and secure the payment thereof by  
6 mortgage, pledge or deed of trust of all or any of its  
7 property, assets, rights, privileges, licenses, rights of way,  
8 easements, revenues or income;

9                   E. option, as optionee and optioner, and acquire,  
10 in any manner, real and personal property or any right or  
11 interest in it;

12                   F. improve, rent, lease and sell district property  
13 or any interest in it;

14                   G. receive, invest and reinvest rents and income  
15 from district property and expend rents and income for district  
16 purposes; [and]

17                   H. accept contributions, gifts and donations and  
18 expend and utilize them to further district purposes; and

19                   I. levy a tax upon request of a watershed district  
20 pursuant to the provisions of Section 73-20-17 NMSA 1978."