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RELATING TO SPECIAL DISTRICTS; AMENDING PROVISIONS OF THE WATERSHED DISTRICT ACT.

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

Section 1. Section 73-20-6 NMSA 1978 (being Laws 1957, Chapter 210, Section 6, as amended) is amended to read:

"73-20-6. PETITIONS.--When fifty or more landowners within a proposed watershed district, or twenty percent of the landowners within the proposed district, whichever is less, desire to form a watershed district, they shall file a petition with the board of supervisors. The petition shall define the boundaries of the proposed district, the number of acres of land involved, reasons for requesting creation of the district, the proposed name for the watershed district and other information pertinent to the proposal. In the event of a challenge to the validity of signatures on a petition, the burden of proof shall be on the sponsors of the petition."

Section 2. Section 73-20-10 NMSA 1978 (being Laws 1957, Chapter 210, Section 10) is amended to read:

"73-20-10. BALLOTS.--The question to be voted on shall be submitted by ballots that define the boundaries of the proposed district as determined by the board of supervisors. Only owners of lands lying within the boundaries of the territory, as determined by the board, shall be eligible to vote in the referendum."

Section 3. Section 73-20-11 NMSA 1978 (being Laws 1957, Chapter 210, Section 11, as amended) is amended to read:

"73-20-11. VOTES--RESULTS.--The votes shall be counted by the election

officers at the close of the polls and report of the results along with the ballots delivered to the polling superintendent, who shall certify the results to the board of supervisors. If a majority of the votes cast favor creation of the district, the board of supervisors shall certify the results to the county clerk in the county involved. Upon proper recording of the action, the watershed district shall be duly created. After recording, the certification shall be filed with the New Mexico department of agriculture."

Section 4. Section 73-20-12 NMSA 1978 (being Laws 1957, Chapter 210, Section 12, as amended) is amended to read:

"73-20-12. DIRECTORS--ELECTION.--

A. Within thirty days after a watershed district is created, the board of supervisors of the soil and water conservation district involved shall cause an election to be held for the election of a board of directors of the watershed district. The board shall consist of five members. The first board shall determine by lot from among its membership two members to serve terms of two years, two members to serve terms of three years and one member to serve a term of four years. Thereafter, as these initial terms expire, their replacements shall be elected for terms of four years. Vacancies occurring before the expiration of a term shall be filled by the remaining members of the board for the unexpired term. Two or more vacancies occurring simultaneously shall be filled by appointment by the board of supervisors. The board of directors shall, under the supervision of the board of supervisors, be the governing body of the watershed district.

B. If the territory embraced within a watershed district lies within more than one soil and water conservation district, each additional soil and water

conservation district having a minority of the land involved in the watershed shall be entitled to elect three additional directors. These additional directors after their election shall determine by lot one of their number to serve a term of two years, one a term of three years and one a term of four years. Thereafter, their successors shall be a elected for terms of four years. The representatives of each of these minority districts shall fill vacancies in the district's membership for the unexpired term.

C. The board of directors shall annually elect from its membership a chairman, secretary and treasurer. The treasurer shall execute an official bond for the faithful performance of the duties of his office to be approved by the board of directors. The bond shall be executed with at least three solvent personal sureties whose solvency shall exceed the amount of the bond, or by a surety company authorized to do business in this state, and shall be in an amount determined by the board of directors. If the treasurer is required to execute a surety company bond, the premium of the bond shall be paid by the board of directors.

- D. The board of directors shall prepare and submit to the department of finance and administration such reports as it may require from among those required to be submitted by other political subdivisions.
- E. Each person desiring to be a director of a watershed district shall file a nominating petition with the board of supervisors, signed by ten or more landowners within the watershed districts of the county involved, or, if less than fifty landowners are involved, a majority of such landowners. If the candidates nominated do not exceed the positions available, they shall be declared elected. No person shall be eligible to be a director of a watershed district who is not a landowner in the district in which he seeks election."

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Section 5. Section 73-20-13 NMSA 1978 (being Laws 1957, Chapter 210, Section 13, as amended) is amended to read:

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

A. levy an annual assessment on the real property within the district, within the limitations provided in Section 73-20-17 NMSA 1978, for administration, construction, operation and maintenance of works of improvement within and without the district as are required by the district in the performance of its functions;

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

C. construct, improve, operate, contract for and maintain such structures as may be necessary for the performance of any function authorized by the Watershed District Act;

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

E. receive and grant assistance and cooperate with counties, municipalities and state and federal agencies in carrying out the provisions of the

Watershed District Act."

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

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"73-20-14. BONDS.--

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A. Bonds authorized by Section 73-20-13 NMSA 1978 shall not be issued until proposed by order or resolution of the board of directors, specifying the purpose for which the funds are to be used, and the proposed undertaking, the amount of bonds to be issued, the rate of interest they are to bear and the amount of any necessary assessment levy in excess of the maximum authorized in Section 73-20-17 NMSA 1978 to establish a sinking fund for the liquidation of bonds as provided in Section 73-20-17 NMSA 1978. A copy of the order or resolution shall be certified to the board of supervisors.

- B. The board of supervisors shall conduct a hearing on the proposal after notice given pursuant to Section 73-20-8 NMSA 1978. If it appears that the proposal is within the scope and purpose of the Watershed District Act and meets all other requirements of the law, the proposal shall be submitted to the landowners of the district by referendum under supervision of the board of supervisors.
- C. Provisions of Sections 73-20-8 through 73-20-11 NMSA 1978 as to notice, qualifications of voters and manner of holding referendum election in organizing a watershed district shall apply to the referendum held under this section.
- D. If two-thirds of the landowners voting favor the proposal, the bonds may be issued."

Section 7. Section 73-20-16 NMSA 1978 (being Laws 1957, Chapter 210, Section 15) is amended to read:

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"73-20-16. PER DIEM AND MILEAGE.--Members of the board of directors shall B receive no salaries, but the members shall be entitled to be reimbursed in accordance with the provisions of the Per Diem and Mileage Act."

Section 8. Section 73-20-17 NMSA 1978 (being Laws 1957, Chapter 210, Section 16, as amended) is amended to read:

"73-20-17. BUDGETS--TAX LEVY--LIMITATION.--Within the first quarter of each calendar year, the board of directors shall prepare an itemized budget of the funds needed for administration, construction, operation and maintenance of works of improvement. After approval of the budget by the board of supervisors, the board of directors shall, by order or resolution, levy an assessment sufficient to meet the budget, not to exceed five dollars (\$5.00), or any lower maximum amount required by operation of the rate limitation provisions of Section 7-37-7.1 NMSA 1978 upon the assessment authorized by this section, on each one thousand dollars (\$1,000) of net taxable value, as that term is defined in the Property Tax Code, of all real property subject to taxation within the district, except that the limit on assessments does not apply to any levy necessary to provide a sinking fund for retirement of bonds authorized by Section 73-20-13 NMSA 1978. A copy of the budget and order or resolution shall be certified to the county assessor of the county or counties involved and to the department of finance and administration by July 15 of each year."

Section 9. Section 73-20-18 NMSA 1978 (being Laws 1957, Chapter 210, Section 17, as amended) is amended to read:

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

A. The board of directors shall prepare a list of the landowners within the defined boundaries of the watershed district in each county involved showing the

number of acres subject to assessment and deliver it to the county assessor of the county involved. The assessor shall indicate the information on the tax rolls.

B. The county assessor shall compute the assessment due the district from each landowner in accordance with the rate fixed by the board of directors and the value of the real property indicated on the tax roll. The computation shall be made on the regular tax bills in the manner as may be directed by regulation of the property tax division of the taxation and revenue department."

Section 10. Section 73-20-21 NMSA 1978 (being Laws 1957, Chapter 210, Section 20, as amended) is amended to read:

"73-20-21. ADDITION OF LAND.--

A. Any one or more owners of land may petition the board of supervisors to have their lands added to a watershed district. The petition shall define the boundaries of the land desired to be annexed, the number of acres of land involved and other information pertinent to the proposal. When the boundary described embraces lands of others than the petitioners, the petition shall so state and shall be signed by twenty-five or more of the landowners in the territory described, if fifty or more such owners are involved, or by a majority if less than fifty landowners are involved.

B. Within thirty days after the petition is filed, the board shall cause due notice to be given as provided in Section 73-20-8 NMSA 1978 of a hearing on the petition. All interested parties shall have a right to attend the hearing and be heard. The board shall determine whether the lands described in the petition or any portion of them shall be included in the district. If all the landowners in the territory involved are not petitioners, a referendum shall be held within the territory as provided in Sections

73-20-8 through 73-20-11 NMSA 1978 before making a final determination. If it is determined that the land should be added, this fact shall be certified by the board of supervisors to the county clerk in the county involved. After recording, the certification shall be filed with the New Mexico department of agriculture."

Section 11. Section 73-20-22 NMSA 1978 (being Laws 1957, Chapter 210, Section 21, as amended) is amended to read:

"73-20-22. DETACHING LAND.--The owner or owners of land who have not been, are not and cannot be benefited by their inclusion in the watershed district may petition the board of supervisors to have the lands withdrawn. The petitions shall be filed with the board of supervisors and the board of directors and shall describe the lands and state the reasons why they should be withdrawn. A hearing shall be held within thirty days after the petition is received. Due notice of the hearing as provided in Section 73-20-8 NMSA 1978 shall be given at least ten days before the hearing. If it is determined by the board of supervisors that the lands shall be withdrawn, the determination shall be certified to the county clerk of each county in which any portion of the lands lie. After recording, the certification shall be filed with the New Mexico department of agriculture."

Section 12. Section 73-20-23 NMSA 1978 (being Laws 1957, Chapter 210, Section 22, as amended) is amended to read:

"73-20-23. DISCONTINUANCE OF DISTRICTS.--

A. At any time after five years from the organization of a watershed district, twenty-five or more landowners within a district or, if less than fifty landowners are involved, a majority of the landowners in the district may file a petition with the board of supervisors and the board of directors requesting that the existence of the

district be discontinued. The petition shall state the reasons for discontinuance and that all obligations of the district have been met.

- B. After giving notice as defined in Section 73-20-8 NMSA 1978, the board of supervisors may conduct hearings on the petition as may be necessary to assist it in making a determination.
- C. Within sixty days after petition is filed, a referendum shall be held under the supervision of the board of supervisors as provided in Section 73-20-14 NMSA 1978. No informalities in the conduct of the referendum or in any matters relating to the referendum shall invalidate it or its result if notice of the referendum has been given substantially as provided in Subsection B of this section.
- D. If a majority of the votes cast in the referendum favor the discontinuance of the district and it is found that all obligations have been met, the board of supervisors shall make a determination that the watershed district shall be discontinued. A copy of the determination shall be certified by the clerk of the county involved for recording. After recording, the certification shall be filed with the New Mexico