

LFC Requester:	Jennifer Faubion
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date 1/30/2026 *Check all that apply:*
Prepared: _____
Bill HB 108 Original Correct
Number: _____ ion _____
 Amend X Substit
 ment ___ ute ___

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	NFI	NFI	NFI	N/A	N/A	N/A
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(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Amendment (House agriculture, acequias and water resources committee)

House agriculture, acequias and water resources committee amendment 1 to House Bill 108 (HB 108/a) further amends existing language in the Watershed District Act to clarify the referendum procedures to be followed when advancing levies for the purpose of loan repayment. Specifically, HB 108/a specifies that boards of supervisors shall follow the Local Election Act or the Special Election Act and the local government ballot question election provisions.

Original bill

House bill 108 (HB 108) amends the Watershed District Act (73-20-2 through 73-20-20 NMSA 1978) to clarify that the board of directors for a watershed district shall have the power to *request* that the board of supervisors for the supervising soil and water conservation district or districts levy an annual assessment on real property to support the watershed district in the performance of its functions. HB 108 establishes requirements for two types of mill levies that soil and water conservation districts shall enact on behalf of their watershed districts:

- Approved annual budget: Upon approving an annual budget for the watershed district, the supervising soil and water conservation district or districts shall levy an assessment of up to five dollars per thousand dollars of net taxable property value to meet the needs of that budget.
- Repayment of a loan: Upon receipt of an adopted resolution by the watershed district, the supervising soil and water conservation district or districts shall levy an assessment of up to an additional five dollars per thousand dollars of net taxable property value in order to repay a loan, provided that the acceptance of the loan in question was approved by two-thirds of qualified landowners in a referendum.

HB 108 makes conforming amendments to one section of the Soil and Water Conservation District Act (73-20-45 NMSA 1978) to grant soil and water conservation districts the power to levy a tax upon request of a watershed district. HB 108 also clarifies the watershed appointment process by removing the requirement that when available, one director shall be a current or former elected director of the watershed district. Lastly, HB 108 makes clarifications to appointment and mill levy procedures in the instance where a watershed district lies within the boundaries of more than one soil and water conservation district.

FISCAL IMPLICATIONS

There would be no fiscal implications to the New Mexico department of agriculture (NMDA).

SIGNIFICANT ISSUES

Original bill

Watershed districts (districts) are subdistricts of soil and water conservation districts (SWCDs) formed for the primary purpose of preserving and protecting New Mexico's land and water resources. Per the Watershed District

Act (73-20-1 through 73-20-24 NMSA 1978), the land area in districts must be contiguous and lie within a well-defined watershed area or subwatershed areas; they may incorporate lands within a single or multiple SWCDs. Governed by a board of directors, districts develop plans and programs to support the conservation or use of water, including water-based recreation; the prevention of flooding or erosion; and the control of flooding, erosion and related damage. With the budget approval of the supervising SWCD(s), watershed districts are currently authorized to establish a mill levy on landowners of up to five dollars to support their activities. There are eight watershed districts in New Mexico.

Prior to July 1, 2025, watershed district boards of directors were elected pursuant to the Local Election Act (Chapter 1, Article 22 NMSA 1978). In the 2025 legislative session, HB 431 amended the Watershed District Act, so that watershed district directors are now appointed by the board of supervisors of the supervising SWCD(s). This change has caused unintended legal issues related to watershed districts' ability to collect a mill levy. Per Article VIII, Section 9 of the New Mexico State Constitution, political subdivisions of the state must be elected to have mill levy authority: "No tax or assessment of any kind shall be levied by any political subdivision whose enabling legislation does not provide for an elected governing authority." HB 108 intends to correct this issue by putting the watershed district mill levy authority under the special powers of the elected board of supervisors for the SWCD(s).

PERFORMANCE IMPLICATIONS

There would be no performance implications to NMDA.

ADMINISTRATIVE IMPLICATIONS

There would be no administrative implications to NMDA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB 108/a is not enacted, there will be no amendments to the Watershed District Act or Soil and Water Conservation District Act. SWCDs will not be expressly authorized to levy a property assessment on behalf of their watershed districts, and those watershed districts will face legal barriers to their ability to collect a mill levy.

AMENDMENTS

N/A

