

HOUSE BILL 108

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

INTRODUCED BY

Rebecca Dow and Susan K. Herrera

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

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:

.232192.3AIC January 29, 2026 (5:43pm)

underscored material = new
[bracketed material] = delete
Amendments: new = **bold, blue, highlight**
~~delete~~ = **bold, red, highlight, strikethrough**

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

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

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

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

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

B. When appointing the initial directors for a

underscored material = new
[bracketed material] = delete
Amendments: new = **bold, blue, highlight**
delete = **bold, red, highlight, strikethrough**

underscored material = new

[bracketed material] = delete

Amendments: new = **bold**, blue, highlight

delete = **bold**, red, highlight, strikethrough

watershed district, [a] the board of supervisors shall appoint two members to serve terms of two years and three members to serve terms of four years. Thereafter, new [appointments] members appointed to the watershed district board shall be for terms of four years. Vacancies occurring before the expiration of a term shall be filled by appointment for the unexpired remainder of a term.

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

D. The board of directors shall annually elect from its membership a chair, secretary and treasurer. The treasurer shall execute an official bond for the faithful performance of the duties of 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.

E. 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."

SECTION 3. 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. request the board of supervisors to levy an annual assessment on the real property within the watershed district, [within the limitations] subject to the requirements provided in Subsection A of 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

underscored material = new
[bracketed material] = delete
Amendments: new = ➔bold, blue, highlight
~~delete = ➔bold, red, highlight, strikethrough~~

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."

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

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

A. In addition to the borrowing of money by the issuance of bonds for the purposes set out in Section 73-20-13 NMSA 1978, the district may borrow money from the United States

underscored material = new
[bracketed material] = delete
Amendments: new = **bold, blue, highlight**
delete = **bold, red, highlight, strikethrough**

underscored material = new

[bracketed material] = delete

Amendments: new = **bold**, blue, highlight

delete = **bold**, red, highlight, strikethrough

department of agriculture or any other federal agency if the loan can be repaid according to its terms by use of the levy authorized by Subsection A of Section 73-20-17 NMSA 1978 and the board of supervisors has so determined.

B. The district may also borrow money from the United States department of agriculture or any other federal agency ~~and levy an assessment not to exceed five dollars (\$5.00) on each one thousand dollars (\$1,000) of net taxable value, as that term is defined in the Property Tax Code, of property subject to taxation by the district, in addition to others authorized by the Watershed District Act, to repay the loan if the board of directors determines the rate of the levy required and:~~

- (1) ~~secures the approval of the board of supervisors;~~
- (2) ~~a referendum on the acceptance of the loan for specified purposes is held;~~
- (3) ~~two thirds of the landowners voting favor the proposal; and~~
- (4) ~~the procedures of Sections 73-20-8 through 73-20-11 NMSA 1978 as to notice, qualifications of voters and manner of holding referendum election are followed in the referendum held under this section] if the loan can be repaid according to its terms by use of the levy authorized by Subsection B of Section 73-20-17 NMSA 1978."~~

SECTION 5. 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.--

A. 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 and submit the budget to the board of supervisors for approval. After approval of the budget ~~[by the board of supervisors]~~, the board of ~~[directors]~~ supervisors 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. If a watershed district lies within more than one soil and water conservation district, the board of supervisors in each soil and water conservation district shall approve of the budget submitted by the watershed district before an assessment may be levied pursuant to this subsection. A copy of the budget and order or resolution shall be certified

underscored material = new
[bracketed material] = delete
Amendments: new = ➔ bold, blue, highlight
~~delete = ➔ bold, red, highlight, strikethrough~~

to the county assessor of the county or counties involved and to the department of finance and administration by July 15 of each year.

B. Upon receipt of a resolution adopted and submitted by the board of directors, the board of supervisors shall levy an assessment not to exceed five dollars (\$5.00) on each one thousand dollars (\$1,000) of net taxable value, as that term is defined in the Property Tax Code, of property subject to taxation by the board of supervisors, in addition to the levy authorized by Subsection A of this section, to repay the loan if the board of supervisors approves of the levy and:

(1) a referendum on the acceptance of the loan for specified purposes is held by the board of supervisors;

(2) two-thirds of the landowners vote in favor of the proposal; and

(3) the procedures of HAAWC→**Sections 73-20-8**

through 73-20-11 NMSA 1978 as to notice, qualifications of voters and manner of holding a referendum election are followed in the referendum held pursuant to this subsection←HAAWC

HAAWC→**the Local Election Act or the Special Election Act as well as local government ballot question election provisions in the Election Code are followed as to notice, qualifications of voters and manner of holding a tax authorization election are followed in the referendum held pursuant to this subsection**←HAAWC ."

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

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

underscored material = new
[bracketed material] = delete
Amendments: new = **bold**, blue, highlight
delete = **bold**, red, highlight, strikethrough

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

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

- A. sue and be sued in the name of the district;
- B. adopt an official seal;
- C. contract, convey and make and execute other instruments and documents necessary or convenient to the exercise of district powers;
- D. borrow money and otherwise contract indebtedness for the purposes of the district and, without limitation of the generality of the foregoing, borrow money and accept grants from the United States or from a corporation or agency created or designated by the United States and, in connection with any such loan or grant, enter into agreements as the United States or the corporation or agency may require; and issue its notes or obligations therefor and secure the payment thereof by mortgage, pledge or deed of trust of all or any of its property, assets, rights, privileges, licenses, rights of way, easements, revenues or income;
- E. option, as optionee and optioner, and acquire, in any manner, real and personal property or any right or interest in it;
- F. improve, rent, lease and sell district property or any interest in it;

underscored material = new
[bracketed material] = delete

Amendments: new = **bold, blue, highlight**
[] = **bold, red, highlight, strikethrough**
delete = **bold, red, highlight, strikethrough**

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

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

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

- 11 -

underscored material = new
[bracketed material] = delete
Amendments: new = **bold**, blue, highlight
~~bold, red, highlight, strikethrough~~