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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 a watershed district; and

B. "supervisors" or "board of supervisors" means
the supervisors of a soil and water conservation 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

1 Subsection C of this section, a board of directors shall
2 consist of five directors.

3 B. When appointing the initial directors for a
4 watershed district, the board of supervisors shall appoint
5 two members to serve terms of two years and three members to
6 serve terms of four years. Thereafter, new members appointed
7 to the watershed district board shall be for terms of four
8 years. Vacancies occurring before the expiration of a term
9 shall be filled by appointment for the unexpired remainder of
10 a term.

11 C. If the territory embraced within a watershed
12 district lies within more than one soil and water
13 conservation district, each soil and water conservation
14 district having a minority of the land in the watershed
15 district shall be entitled to appoint three additional
16 directors. When appointing the additional directors, the
17 board of supervisors shall appoint one director to serve a
18 term of two years and two directors to serve terms of four
19 years. Thereafter, each director shall be appointed for a
20 term of four years. Vacancies shall be filled by appointment
21 by the original appointing entity for the remainder of an
22 unexpired term.

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

1 performance of the duties of office to be approved by the
2 board of directors. The bond shall be executed with at least
3 three solvent personal sureties whose solvency shall exceed
4 the amount of the bond, or by a surety company authorized to
5 do business in this state, and shall be in an amount
6 determined by the board of directors. If the treasurer is
7 required to execute a surety company bond, the premium of the
8 bond shall be paid by the board of directors.

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

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

15 "73-20-13. AUTHORITY.--Subject to the approval of the
16 board of supervisors, the board of directors of a watershed
17 district shall have power to:

18 A. request the board of supervisors to levy an
19 annual assessment on the real property within the watershed
20 district, subject to the requirements provided in Subsection
21 A of Section 73-20-17 NMSA 1978, for administration,
22 construction, operation and maintenance of works of
23 improvement within and without the district as are required
24 by the district in the performance of its functions;

25 B. acquire by purchase, gift, grant, bequest,

1 devise or through condemnation proceedings in the manner
2 provided in the Eminent Domain Code property or rights of way
3 necessary for the exercise of any authorized function of the
4 district; provided that no property or water rights shall be
5 condemned for the purposes of recreation;

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

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

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

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

23 "73-20-15. LOANS--REPAYMENTS.--

24 A. In addition to the borrowing of money by the
25 issuance of bonds for the purposes set out in Section

1 73-20-13 NMSA 1978, the district may borrow money from the
2 United States department of agriculture or any other federal
3 agency if the loan can be repaid according to its terms by
4 use of the levy authorized by Subsection A of Section
5 73-20-17 NMSA 1978 and the board of supervisors has so
6 determined.

7 B. The district may also borrow money from the
8 United States department of agriculture or any other federal
9 agency if the loan can be repaid according to its terms by
10 use of the levy authorized by Subsection B of Section
11 73-20-17 NMSA 1978."

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

14 "73-20-17. BUDGETS--TAX LEVY--LIMITATION.--

15 A. Within the first quarter of each calendar year,
16 the board of directors shall prepare an itemized budget of
17 the funds needed for administration, construction, operation
18 and maintenance of works of improvement and submit the budget
19 to the board of supervisors for approval. After approval of
20 the budget, the board of supervisors shall, by order or
21 resolution, levy an assessment sufficient to meet the budget,
22 not to exceed five dollars (\$5.00), or any lower maximum
23 amount required by operation of the rate limitation
24 provisions of Section 7-37-7.1 NMSA 1978 upon the assessment
25 authorized by this section, on each one thousand dollars

1 (\$1,000) of net taxable value, as that term is defined in the
2 Property Tax Code, of all real property subject to taxation
3 within the district, except that the limit on assessments
4 does not apply to any levy necessary to provide a sinking
5 fund for retirement of bonds authorized by Section 73-20-13
6 NMSA 1978. If a watershed district lies within more than one
7 soil and water conservation district, the board of
8 supervisors in each soil and water conservation district
9 shall approve of the budget submitted by the watershed
10 district before an assessment may be levied pursuant to this
11 subsection. A copy of the budget and order or resolution
12 shall be certified to the county assessor of the county or
13 counties involved and to the department of finance and
14 administration by July 15 of each year.

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

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

1 supervisors;

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

4 (3) the procedures of the Local Election Act
5 or the Special Election Act as well as local government
6 ballot question election provisions in the Election Code are
7 followed as to notice, qualifications of voters and manner of
8 holding a tax authorization election are followed in the
9 referendum held pursuant to this subsection."

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

12 "73-20-18. ASSESSMENT LISTS.--

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

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

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

3 "73-20-20. EXPENDITURES.--Assessment funds collected
4 shall be transferred to and held by the treasurer of the
5 watershed district for the specific purpose for which they
6 have been collected. All expenditures of such funds shall be
7 made by the board of directors upon order and approval of the
8 board of supervisors of the soil and water conservation
9 district involved."

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

12 "73-20-45. SPECIFIC POWERS OF DISTRICTS.--A district,
13 by and through its supervisors, is authorized to:

- 14 A. sue and be sued in the name of the district;
15 B. adopt an official seal;
16 C. contract, convey and make and execute other
17 instruments and documents necessary or convenient to the
18 exercise of district powers;
19 D. borrow money and otherwise contract
20 indebtedness for the purposes of the district and, without
21 limitation of the generality of the foregoing, borrow money
22 and accept grants from the United States or from a
23 corporation or agency created or designated by the United
24 States and, in connection with any such loan or grant, enter
25 into agreements as the United States or the corporation or

1 agency may require; and issue its notes or obligations
2 therefor and secure the payment thereof by mortgage, pledge
3 or deed of trust of all or any of its property, assets,
4 rights, privileges, licenses, rights of way, easements,
5 revenues or income;

6 E. option, as optionee and optioner, and acquire,
7 in any manner, real and personal property or any right or
8 interest in it;

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

11 G. receive, invest and reinvest rents and income
12 from district property and expend rents and income for
13 district purposes;

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

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