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FISCAL IMPACT REPORT

SPONSOR Gonzales LAST UPDATED _____
ORIGINAL DATE 2/18/2025
SHORT TITLE Rio Hondo Watershed District BILL NUMBER Senate Bill 384
ANALYST Davidson

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$100.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Office of the State Engineer (OSE)
New Mexico Department of Agriculture (NMDA)

Agency Declined to Respond
New Mexico Environment Department (NMED)

SUMMARY

Synopsis of Senate Bill 384

Senate Bill 384 (SB384) appropriates \$100 thousand from the general fund to the New Mexico Department of Agriculture (NMDA) for the purpose of the planning, developing, and creation of a Rio Hondo Watershed District.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

Analysis from NMDA notes it does not anticipate implementation of the bill requiring any increase in recurring funding, with the agency noting the majority of the work would be

coordinated through the supervising soil and water conservation district (SWCD).

SIGNIFICANT ISSUES

Watershed districts are subdistricts of soil and water conservation districts, traditionally formed for the preserving and protecting the state's land and water resources. The current statute governing watershed districts requires the land area in districts to be contiguous and lie within a well-defined watershed area or sub watershed area. Watershed districts also may incorporate lands within SWCD's.

The current political process to form a new watershed district starts when fifty or more landowners or twenty percent of the landowners in the proposed district file a petition with the board of a supervising SWCD. After public notice and a hearing, the board of the appropriate SWCD may decide if the creation of the proposed watershed district is in the interest of the public. If the board decides in favor of creation, then the SWCD shall hold a referendum on the proposed district with the affected landowners. Pursuant to a vote, a new district can be formed and a board of directors for it will be elected in the next general election. Currently, there are seven active watershed districts in the state.

The Office of the State Engineer (OSE) notes the development by NMDA of a new watershed district would enable NMDA to plan for preventing and mitigating water-related issues, such as flooding, erosion, and water-quality degradation. The new watershed district could also enable NMDA to implement projects such as drainage systems, wetland restoration, and streambank stabilization in the district.

NMDA notes some confusion regarding which Rio Hondo watershed the bill is discussing. NMDA notes there is a Rio Hondo watershed near Taos County which falls within the Taos SWCD. The headwaters of Taos Rio Hondo run from the Sangre de Cristo mountains near Taos ski valley down to the Rio Grande Gorge near the Arroyo Hondo community. There is however a different Rio Hondo located in Lincoln and Chavez County. Specifying which Rio Hondo the bill is addressing would alleviate this issue.

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