

LFC Requester:	Austin Davidson
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AGENCY BILL ANALYSIS - 2025 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 Prepared: 2/21/2025 *Check all that apply:*
Bill Number: HB 502 Original Correction
 Amendment Substitute

Sponsor: Susan K. Herrera
Kathleen Cates
Anita Gonzales
Short Title: Patricia A. Lundstrom
ACEQUIA & WATER RIGHTS AS
MATERIAL FACTS

Agency Name and Code ACE
Number: _____
Person Writing Vidal Gonzales
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(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:

HB 502 establishes that acequia rights, obligations, and water rights are considered material facts in real estate transactions in New Mexico. This means that such rights must be disclosed during property sales, ensuring that buyers are informed about any acequia-related water rights or responsibilities associated with the land.

Add "Background:" if needed

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

The New Mexico Acequia Association provides technical assistance to numerous acequias every year and there have been several cases in which there have been conflicts between new landowners and the acequia because the landowner does not have a good understanding about the acequia or community ditch, water rights, easements, and other rights and obligations related to the acequia. This is largely due to the lack of disclosure of a variety of facts about the acequia that affect the property, the appurtenant water rights, and the use of the property.

Acequias and community ditches provide irrigation water to serve the water rights on farmland attached to the acequia. Some of the facts about an acequia that would be relevant to a new landowner include the location of the acequia, the easements rights of the acequia, the rights and obligations of the landowner as a member of the acequia, the rights and enforcement powers of the acequia, the statutory authority of acequias with regard to water rights, the obligation of landowners to pay assessments, and several other governance and property issues. The lack of understanding of these issues leads to conflicts including encroachment on acequia easements, interference with the acequia, legal challenges and disputes, illegal alterations of the acequias, among numerous other types of conflicts.

Acequias and community ditches are political subdivisions of the state governed by Chapter 72 Articles 2 and 3, NMSA 1978. These statutes have several provisions that determine the governance and management of acequias. These include the enforcement powers of acequias but acequias often lack the capacity and resources to address violations of acequia bylaws and state statutes. Increasing understanding between new landowners and their respective acequias may help to minimize disputes and conflicts that would otherwise strain limited acequia resources.

This bill would be helpful to ensure the rights of acequiaa and community ditches are known to the new owners. This can result in upholding the rights of acequias and community ditches and

addressing the needs of new landowners.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

While this bill appropriately designates acequia rights, obligations, and water rights as material facts in real estate transactions, it fails to explicitly mention acequia easements—a critical issue when land changes ownership. Although “acequia rights” or “obligations” could be interpreted to include easements, this should not be left to assumption. Acequia easements, which grant access for maintenance and to ensure proper water flow, often cross private property and can lead to disputes when new landowners are unaware of them. Easement conflicts are a recurring issue in New Mexico, and omitting them from the bill could lead to continued legal challenges. It is worth explicitly referencing acequia easements to ensure transparency in real estate transactions and to prevent future misunderstandings between acequias and new property owners.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, significant problems will persist in real estate transactions involving properties with acequias. Without clear statutory language designating acequia rights, obligations, and water rights as material facts, new landowners may unknowingly purchase property with an acequia running through it or subject to an unmentioned acequia easement. As a result, these new owners could inadvertently violate acequia rights, leading to ongoing disputes and legal challenges. The absence of explicit mention of acequia easements further compounds the issue, since these easements—critical for maintaining water flow and access—remain a frequent source of conflict. Ultimately, failing to pass this bill means that acequias and their associated rights will continue to be jeopardized, perpetuating uncertainty and potential infringement of long-established water rights in New Mexico.

AMENDMENTS

A suggested amendment would be to add the word “easements” inserted after “water rights” on line 18.