1	AN	ACT
	AIN	A() I

RELATING TO WATER; PROVIDING FOR ACTIVE RESOURCE MANAGEMENT
AND DESIGNATION OF CRITICAL MANAGEMENT AREAS; AMENDING AND
ENACTING SECTIONS OF CHAPTER 72 NMSA 1978 TO ENABLE THE STATE
ENGINEER TO REGULATE DOMESTIC WELLS IN CRITICAL MANAGEMENT
AREAS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of Chapter 72, Article 2 NMSA 1978 is enacted to read:

"DESIGNATION OF CRITICAL MANAGEMENT AREAS. --

- A. The state engineer may declare a critical management area in specific areas in the same manner as special orders made pursuant to Section 72-2-8 NMSA 1978.
- B. As used in Chapter 72 NMSA 1978, "critical management area" means a bounded area specifically described by section, township and range, or by other land survey descriptions, that requires special water resource protection because:
- (1) water resources may be inadequate to sustain well production as evidenced by water level decline rates and available aquifer thickness; or
- (2) additional depletions are shown to negatively affect interstate compact delivery requirements.
 - $\text{C.} \quad \text{The state engineer shall treat all domestic}$

7

8

9 10

11

12

13 14

15

16

17

18

19 20

21

22 23

24

25

well applications filed pursuant to Section 72-12-1.1 NMSA 1978 in the same manner within each critical management area.

- A critical management area designation is subject to reconsideration upon petition by a person owning land or water rights within that critical management area. The state engineer shall consider the petition pursuant to procedures set forth for the promulgation of special orders in Section 72-2-8 NMSA 1978. The petition shall be granted if the critical management area has recovered such that the conditions under which the critical management area was declared no longer exist.
- E. A critical management area designation shall be reviewed every five years to ascertain whether the critical management area continues to meet the criteria for designation."
- Section 2. Section 72-2-8 NMSA 1978 (being Laws 1967, Chapter 246, Section 1) is amended to read:
- **"**72-2-8. ADMINISTRATIVE REGULATIONS, CODES, INSTRUCTIONS, ORDERS--PRESUMPTION OF CORRECTNESS.--
- The state engineer may adopt regulations and codes to implement and enforce any provision of any law administered by him and may issue orders necessary to implement his decisions and to aid him in the accomplishment of his duties. In order to accomplish its purpose, this provision is to be liberally construed.

- B. Directives issued by the state engineer shall be in form substantially as follows:
- (1) regulations are written statements of the state engineer of general application to the public, implementing statutes, prescribing procedures and interpreting and exemplifying the statutes to which they relate;
- (2) codes are written standards and specifications governing design and construction of dams;
- (3) orders are written statements of the state engineer to implement his decisions; and
- (4) special orders are written statements defining the declared boundaries of underground streams, channels, artesian basins, reservoirs, lakes or critical management areas.
- C. To be effective, a regulation, code or special order issued by the state engineer shall be reviewed by the attorney general or other legal counsel of the office of the state engineer prior to being filed as required by law and the fact of his review shall be indicated thereon.
- D. To be effective, a regulation or code shall first be issued as a proposed regulation or proposed code and filed for public inspection in the office of the state engineer along with the findings of fact that in the opinion of the state engineer justify the regulation or code.

Distribution shall also be made to each district and field office for public inspection and to each of the persons on the file of interested persons mentioned in Subsection G of this section. After the proposed regulation or code has been on file for one month, the state engineer shall publish it or, if it is lengthy, a resume of it in not less than five newspapers of general circulation in the state, once a week for two consecutive weeks, with the statement that there will be a hearing on the proposed regulation or code on a day set in the publication, which shall be not more than thirty days nor less than twenty days after the last publication. The hearing shall be held in Santa Fe, and any person who is or may be affected by the proposed regulation or code may appear and testify.

E. Special orders may be promulgated without prior notice and hearing, but the state engineer shall, within ten days of promulgation of a special order, set a date for a hearing on the special order and publish notice of the public hearing in the same manner required in Subsection D of this section. When a special order is issued to designate a critical management area, the order shall not become effective until after notice and hearing. All applications submitted after issuance of the special order shall be subject to the provisions of the final adopted special order. Hearings on special orders to create a critical management

A. A person, firm or corporation desiring to use

"72-12-1.1. UNDERGROUND WATERS--DOMESTIC USE--PERMIT.--

area shall be held within the proposed critical management area.

- F. In addition to filing copies of regulations as required by law, the state engineer shall maintain in his office duplicate official sets of current regulations, codes and special orders, which sets shall be available for inspection by the public.
- G. The state engineer shall develop and maintain a file of names and addresses of individuals and professional, agricultural and other groups having an interest in the promulgation of new, revised or proposed regulations and shall at convenient times distribute to these persons all such regulations, making such charges as will defray the expense incurred in their physical preparation and mailing.
- H. Any regulation, code or order issued by the state engineer is presumed to be in proper implementation of the provisions of the water laws administered by him.
- I. The state engineer shall state the extent to which regulations, codes and orders will have retroactive effect and, if no such statement is made, they will be applied prospectively only."
- Section 3. Section 72-12-1.1 NMSA 1978 (being Laws 2003, Chapter 298, Section 2) is amended to read:
 - A nameon firm or componentian desiring to use

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

public underground waters described in this section for irrigation of not to exceed one acre of noncommercial trees, lawn or garden or for household or other domestic use shall make application to the state engineer for a well on a form to be prescribed by the state engineer. Upon the filing of each application describing the use applied for, the state engineer shall issue a permit to the applicant to use the underground waters applied for, except as otherwise provided in this section.

- Permits for domestic water use within municipalities shall be conditioned to require the permittee to comply with all applicable municipal ordinances enacted pursuant to Chapter 3, Article 53 NMSA 1978.
- The state engineer may condition domestic well permits in critical management areas if wells permitted pursuant to this section will impair existing domestic well rights, senior water rights or interstate compact delivery requirements.
- D. The state engineer shall approve a domestic well for use of water in an amount equal to the amount of:
- (1) water rights transferred to that well pursuant to Subsection F of this section; or
- (2) water under an existing domestic well permit issued pursuant to Section 72-12-1.1 NMSA 1978 in the critical management area and for which the applicant has

certified to the state engineer that the existing use has been discontinued and the existing well has been capped.

- E. Water rights obtained pursuant to this section are water rights with a priority date and may be transferred to a new location or purpose of use subject to the provisions of Chapter 72 NMSA 1978.
- F. A person required to transfer a water right pursuant to this section shall obtain an existing water right from within that critical management area and change the place or purpose of use of the water right; provided that the proposed change will not increase depletions within the critical management area. The change in place or purpose of use shall be made pursuant to the provisions of Section 72-5-24 or 72-12-7 NMSA 1978, except that a person required to transfer a water right pursuant to this section may be exempted from the public notice requirements if:
- (1) there is a change of use to domestic use with no change in location of use; or
- (2) the water right transferred is one acre-foot or less and:
- (a) the state engineer determines that the change will not impair existing water rights, be contrary to conservation of water or be detrimental to the public welfare; and
 - (b) the water right to be transferred

1	is not from an acequia or community ditch.	
2	G. A person may appeal the decision of the state	
3	engineer pursuant to the provisions of Section 72-7-1 NMSA	
4	1978 ."	SCONC/SB 89
5		Page 8
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		