

LFC Requester:

Conner Jorgensen

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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** 1/22/2025 *Check all that apply:*  
**Prepared:** \_\_\_\_\_  
**Bill** HB 28 Original  Correct  
**Number:** \_\_\_\_\_ ion \_\_\_\_\_  
 Amend \_\_\_\_\_  
 ment \_\_\_\_\_

**Spons** \_\_\_\_\_  
**or:** Kathleen Cates  
**Agency** \_\_\_\_\_  
**Name and** \_\_\_\_\_  
**Code** \_\_\_\_\_  
**Number:** NMDA-199  
**Person Writing** \_\_\_\_\_  
**Analysis:** Jeff Witte  
**Short** Valuation of Resting  
**Title:** Land in Drought  
**Pho** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

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

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

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

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	NFI	NFI	NFI	NFI	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:

Amends Section 7-36-20 NMSA 1978 to enable the New Mexico department of agriculture (NMDA), conservancy districts or soil and water conservation districts to make drought designations for the purpose of determining whether resting land due to drought impacts qualifies as an agricultural use under the special method of land valuation.

**FISCAL IMPLICATIONS**

There would be no fiscal implications for NMDA.

**SIGNIFICANT ISSUES**

The special method of valuation under Section 7-36-20 NMSA 1978 is intended to maintain the continued use of agricultural lands in active production. For lands to qualify for the special valuation method, there must be a bona fide primary agricultural use of the land and the capacity to produce agricultural products. Section 7-36-20 NMSA 1978 currently allows for the resting of lands to count as agricultural use if it is “the direct result of moderate drought conditions as designated by the United States department of agriculture” and “drought conditions occurred in the county within which the land is located for at least eight consecutive weeks during the previous tax year.”

Technically, the United States department of agriculture (USDA) does not make direct drought declarations but relies on the United States (U.S.) Drought Monitor maps for its programs. The U.S. Drought Monitor is produced jointly by the National Drought Mitigation Center at the University of Nebraska-Lincoln, National Oceanic and Atmospheric Administration (NOAA), and USDA. Technical experts update drought maps on a weekly basis based on a number of drought indicators, including meteorological data, soil moisture levels, water resource measurements, and vegetation conditions. NMDA participates in the New Mexico drought monitor working group, which meets monthly to inform and advise modifications to the current drought map. The U.S. Drought Monitor does not always reflect water shortages for irrigators, who may experience prolonged and significant reductions to their water supply even when local meteorological conditions do not indicate drought.

NMDA does not currently make drought designations and does not have an independent process or methodology to do so. There are forty-seven soil and water conservation districts and at least

four conservancy districts across the state. If HB 28 is enacted, there could potentially be fifty-plus distinct methodologies to determine drought for the purposes of Section 7-36-20 NMSA 1978.

#### **PERFORMANCE IMPLICATIONS**

N/A

#### **ADMINISTRATIVE IMPLICATIONS**

There would be no administrative implications for NMDA.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

#### **TECHNICAL ISSUES**

NMDA is unclear whether “conservancy districts” is also intended to include artesian conservancy districts or irrigation districts. These are distinct types of special districts under Chapter 73 NMSA 1978.

#### **OTHER SUBSTANTIVE ISSUES**

N/A

#### **ALTERNATIVES**

N/A

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If HB 28 is not enacted, the criteria for determining whether the resting of lands due to drought qualifies as agricultural use under 7-36-20 NMSA 1978 will not be changed. In order to qualify for the special method valuation for land used primarily for agricultural purposes, rested agricultural lands will need to be in a county with a USDA designation of moderate drought for at least eight weeks during the previous tax year.

#### **AMENDMENTS**

N/A