

**LFC Requester:****Austin Davidson****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 Prepared:** 2/22/2025*Check all that apply:***Bill Number:** HB 502Original  Correction Amendment  Substitute **Sponsor:** Reps. Susan K. Herrera,  
Kathleen Cates, Anita Gonzales,  
and Patricia A. Lundstrom**Agency Name  
and Code  
Number:**Office of the State Engineer  
550**Person Writing  
Analysis:**Nat Chakeres**Short  
Title:** Acequia & Water Rights as  
Material Facts505-231-Nathaniel.chakeres@o**Phone:** 4459**Email:** se.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
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

(Parenthesis ( ) indicate revenue decreases)

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

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

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None  
Duplicates/Relates to Appropriation in the General Appropriation Act: None

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

House Bill 502 would make acequia rights and obligations and water rights material facts in real estate transactions.

#### **FISCAL IMPLICATIONS**

None

#### **SIGNIFICANT ISSUES**

It is not clear if this bill is necessary – based on how agricultural tracts are currently listed for sale, the extent of the water rights for sale is a very important factor in determining the sale price. Thus, it appears that buyers and sellers already consider them to be material to the transactions.

A statute singling out acequia water rights and obligations and water rights as material facts in real estate transactions could create uncertainty with respect to whether other types of facts are or are not considered material if there is no statute saying they are material.

#### **PERFORMANCE IMPLICATIONS**

None

#### **ADMINISTRATIVE IMPLICATIONS**

None

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

None

#### **TECHNICAL ISSUES**

It is not clear whether this provision would apply to all water rights or only water rights associated with an acequia.

#### **OTHER SUBSTANTIVE ISSUES**

None

#### **ALTERNATIVES**

None

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

The materiality of acequia rights and obligations and water rights to real estate transactions will be determined under current law.

## **AMENDMENTS**

None