

AN ACT
RELATING TO IRRIGATION WORKS; GIVING THE INTERSTATE STREAM
COMMISSION AUTHORITY TO CONVERT CERTAIN ACEQUIA LOANS TO
GRANTS.

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

Section 1. IRRIGATION WORKS CONSTRUCTION LOANS--
CONVERSION TO GRANTS. --A community acequia that has entered
into an irrigation works construction loan agreement with
the interstate stream commission and that is in default of
the loan agreement on January 1, 1998 may apply to the
interstate stream commission for conversion of the balance
of the loan to a grant; provided:

A. the interstate stream commission inspects the
works and finds that because the works were constructed in a
defective manner, they cannot be reasonably used for the
purposes intended; and

B. the community acequia can demonstrate that
there is no legal remedy for damages or specific performance
against the contractor that built the defective works. _____