

1 SENATE BILL 233

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Ron Griggs and Kelly K. Fajardo

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10 AN ACT

11 RELATING TO UTILITIES; PROVIDING FOR MINIMUM STANDARDS FOR THE  
12 FORMATION OF NEW ASSOCIATIONS FORMED UNDER THE SANITARY  
13 PROJECTS ACT.

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

16 SECTION 1. Section 3-29-5 NMSA 1978 (being Laws 1965,  
17 Chapter 300, Section 14-28-5, as amended) is amended to read:

18 "3-29-5. RESTRICTIONS ON FORMING AN ASSOCIATION.--

19 A. A new association shall not be formed under the  
20 Sanitary Projects Act by original incorporation after January  
21 1, 2000, and a new association shall not be formed by  
22 reorganization after January 1, 2000, unless the preceding  
23 entity was in existence on January 1, 2000, if the service area  
24 of either association includes property contiguous to an  
25 incorporated municipality or an unincorporated area currently

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1 served by a municipality or by a water and sanitation district.  
2 The restrictions on forming an association set forth in this  
3 subsection shall not apply if the contiguous incorporated  
4 municipality or water and sanitation district does not provide  
5 the services or cannot provide the services to be provided by  
6 the association at or below the cost proposed by the  
7 association.

8 B. An association shall not construct with state  
9 funds a project required in order to allow creation of a  
10 subdivision under the provisions of the Land Subdivision Act,  
11 the New Mexico Subdivision Act or Section 47-5-9 NMSA 1978;  
12 however, an association may construct a project serving a  
13 previously approved subdivision in the service area of the  
14 association.

15 C. After July 1, 2006, a new association shall not  
16 be formed as a capital stock corporation.

17 D. A new association shall not be formed under the  
18 Sanitary Projects Act after July 1, 2017 unless the association  
19 will service at least fifteen connections or a population of at  
20 least twenty-five people for at least six months of the year."