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SENATE BILL 177

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; MAKING TRANSFERS FROM THE GENERAL
FUND TO ECONOMIC-RELATED FUNDS; MAKING APPROPRIATIONS FOR
ECONOMIC DEVELOPMENT-RELATED PURPOSES AND INITIATIVES OF THE
ECONOMIC DEVELOPMENT DEPARTMENT, NEW MEXICO UNIVERSITIES AND
BUSINESSES IN THE FIELDS OF ARTIFICIAL INTELLIGENCE, QUANTUM
TECHNOLOGY, ADVANCED ENERGY, AEROSPACE AND DEFENSE AND
BIOSCIENCE; MAKING APPROPRIATIONS FOR PROJECTS WITH AN
ASSOCIATED EFFECT ON ECONOMIC DEVELOPMENT; MAKING
APPROPRIATIONS FOR PUBLIC SAFETY INITIATIVES.

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

SECTION 1. TRANSFER--OUTDOOR EQUITY GRANT PROGRAM FUND.--

On July 1, 2026, nine million dollars (\$9,000,000) is
transferred from the general fund to the outdoor equity grant
program fund.

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1 SECTION 2. TRANSFER--RESEARCH, DEVELOPMENT AND DEPLOYMENT
2 FUND.--On July 1, 2026, one hundred eleven million dollars
3 (\$111,000,000) is transferred from the general fund to the
4 research, development and deployment fund.

5 SECTION 3. TRANSFER--SITE READINESS FUND.--On July 1,
6 2027, twenty million dollars (\$20,000,000) is transferred from
7 the general fund to the site readiness fund.

8 SECTION 4. TRANSFER--DEVELOPMENT TRAINING FUND.--On July
9 1, 2027, ten million dollars (\$10,000,000) is transferred from
10 the general fund to the development training fund.

11 SECTION 5. TRANSFER--LOCAL ECONOMIC DEVELOPMENT ACT
12 FUND.--On July 1, 2027, twenty million dollars (\$20,000,000) is
13 transferred from the general fund to the Local Economic
14 Development Act fund.

15 SECTION 6. APPROPRIATION--ADVANCED ENERGY INDUSTRY
16 INNOVATION HUB AND VENTURE STUDIO.--Twenty-five million dollars
17 (\$25,000,000) is appropriated from the general fund to the
18 economic development department for expenditure in fiscal years
19 2027 through 2029 to contract for services to provide
20 operational support for an advanced energy industry innovation
21 hub and venture studio that will create, launch and scale
22 start-ups targeted to technologies designed to enhance the
23 performance, affordability and reliability of advanced energy
24 systems, including renewable energy deployment, energy
25 efficiency solutions, battery storage and climate technology

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1 solutions. Any unexpended balance remaining at the end of
2 fiscal year 2029 shall revert to the general fund.

3 SECTION 7. APPROPRIATION--ADVANCED ENERGY ENTREPRENEURS
4 AND TRADE ASSOCIATIONS.--

5 A. Thirty-seven million five hundred thousand
6 dollars (\$37,500,000) is appropriated from the general fund to
7 the economic development department for expenditure in fiscal
8 years 2027 through 2029 to provide money in amounts as
9 determined by the department to entrepreneurs to create
10 advanced energy start-ups; to advanced energy trade
11 associations to advocate on behalf of the state and solicit
12 industry and company interest and collaboration; to provide
13 matching funds for federal grants for such entrepreneurs and
14 trade associations; to provide advanced energy workforce
15 training programs at a higher education institution or New
16 Mexico business; to support New Mexico businesses in recruiting
17 and retaining an advanced energy workforce; and to enable
18 quantum computing researchers at Los Alamos national laboratory
19 and Sandia national laboratories to use sabbatical leave to
20 pursue commercial opportunities in New Mexico. Recipients
21 shall be prioritized and selected as determined by the
22 department. Any unexpended balance remaining at the end of
23 fiscal year 2029 shall revert to the general fund.

24 B. As used in this section, "advanced energy" means
25 technologies for cleaner and more efficient energy production

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1 than fossil fuel technology, including technology and
2 innovation that makes energy use cleaner, safer, more secure
3 and more reliable, battery storage, electric and hybrid
4 vehicles and efficiency improvements for homes, industries and
5 transportation.

6 SECTION 8. APPROPRIATION--DEFENSE TECHNOLOGY, BIOSCIENCE
7 AND AEROSPACE INDUSTRY INNOVATION HUB AND VENTURE STUDIO.--

8 Thirty million nine hundred thousand dollars (\$30,900,000) is
9 appropriated from the general fund to the economic development
10 department for expenditure in fiscal years 2027 through 2029 to
11 contract for services to provide operational support for a
12 defense technology, bioscience and aerospace industry
13 innovation hub and venture studio that will create, launch and
14 scale start-ups and include a sensitive compartmented
15 information facility. Any unexpended balance remaining at the
16 end of fiscal year 2029 shall revert to the general fund.

17 SECTION 9. APPROPRIATIONS--NATIONAL SECURITY RESEARCH AND
18 INFRASTRUCTURE.--

19 A. Nine million dollars (\$9,000,000) is
20 appropriated from the general fund to the board of regents of
21 the New Mexico institute of mining and technology for
22 expenditure in fiscal years 2027 through 2029 to enable a
23 wireless technology hub at the institute's Playas research and
24 training center to provide instrumented, real-world test ranges
25 and laboratories for emerging wireless technologies, shorten

1 the path from research to fielded capability for defense and
2 commercial users and build a durable talent pipeline and
3 supplier base across New Mexico. Any unexpended balance
4 remaining at the end of fiscal year 2029 shall revert to the
5 general fund.

6 B. Seven million dollars (\$7,000,000) is
7 appropriated from the general fund to the board of regents of
8 the New Mexico institute of mining and technology for
9 expenditure in fiscal years 2027 through 2029 to establish a
10 gateway for an energetic reliability and aging studies facility
11 at the institute's energetics materials research and testing
12 center to deliver high-value, actionable data to the United
13 States department of defense by enabling controlled, repeatable
14 examination of aged munitions and components. Any unexpended
15 balance remaining at the end of fiscal year 2029 shall revert
16 to the general fund.

17 C. Two million dollars (\$2,000,000) is appropriated
18 from the general fund to the board of regents of the university
19 of New Mexico for expenditure in fiscal years 2027 through 2029
20 to purchase robots, three-dimensional printers and supporting
21 equipment and renovation of a centralized training facility.
22 Any unexpended balance remaining at the end of fiscal year 2029
23 shall revert to the general fund.

24 D. Eight million dollars (\$8,000,000) is
25 appropriated from the general fund to the board of regents of

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1 the university of New Mexico for expenditure in fiscal years
2 2027 through 2029 to purchase equipment for a flexible ion
3 implanter, cryogenic optical spectroscopy and quantum spin-
4 photon tools; to purchase a focused ion beam milling system
5 with variable-energy and multispecies capability; to purchase
6 fiber semiconductor lasers and high-power microwave test
7 stands; to construct laboratory upgrades; and for a nitrogen
8 liquefaction plant cost-controlled cryogens for mission-
9 critical United States department of defense collaborations
10 with the United States air force, Sandia national laboratories
11 and Los Alamos national laboratory that depend on uninterrupted
12 cryogenics for directed energy, quantum materials, biobanking
13 and clinical operations. Any unexpended balance remaining at
14 the end of fiscal year 2029 shall revert to the general fund.

15 E. Five million dollars (\$5,000,000) is
16 appropriated from the general fund to the board of regents of
17 the university of New Mexico for expenditure in fiscal years
18 2027 through 2029 for the university of New Mexico health
19 sciences center for unified activities with the school of
20 engineering and the college of arts and sciences in
21 acoustomicrofluidic microneedle systems, compact optical, radio
22 frequency and biosensors; multimodal brain imaging scanners and
23 functionally guided brain stimulators; and genomic and
24 transcriptomic next-generation sequencing equipment. Any
25 unexpended balance remaining at the end of fiscal year 2029

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1 shall revert to the general fund.

2 F. Five million dollars (\$5,000,000) is
3 appropriated from the general fund to the board of regents of
4 the university of New Mexico for expenditure in fiscal years
5 2027 through 2029 for the university of New Mexico health
6 sciences center for centralized high-performance computing
7 upgrades, quantum computer access and data center renovations
8 to expand bioscience-related activities and develop artificial
9 intelligence and quantum computing approaches. Any unexpended
10 balance remaining at the end of fiscal year 2029 shall revert
11 to the general fund.

12 G. Sixteen million dollars (\$16,000,000) is
13 appropriated from the general fund to the board of regents of
14 New Mexico state university for expenditure in fiscal years
15 2027 through 2029 to purchase and install equipment supporting
16 the physical sciences laboratory. Any unexpended balance
17 remaining at the end of fiscal year 2029 shall revert to the
18 general fund.

19 SECTION 10. APPROPRIATION--FEDERAL GENESIS MISSION.--

20 A. One hundred eighteen million dollars
21 (\$118,000,000) is appropriated from the general fund to the
22 economic development department for expenditure in fiscal years
23 2027 through 2029 to leverage opportunities pursuant to the
24 genesis mission that will accelerate the artificial
25 intelligence and quantum computing revolutions and double the

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1 productivity and impact of American science within a decade.
2 Any unexpended balance remaining at the end of fiscal year 2029
3 shall revert to the general fund.

4 B. As used in this section, "genesis mission" means
5 the United States department of energy's genesis mission to
6 train scientific models and create artificial intelligence
7 agents to test new hypotheses, automate research workflows and
8 accelerate scientific breakthroughs, pursuant to the executive
9 order of the president of the United States dated November 24,
10 2025.

11 SECTION 11. APPROPRIATION--QUANTUM BENCHMARKING
12 INITIATIVE.--

13 A. Forty-nine million three hundred thousand
14 dollars (\$49,300,000) is appropriated from the general fund to
15 the economic development department for expenditure in fiscal
16 years 2027 through 2029 to match federal funds for the United
17 States department of defense's defense advanced research
18 projects agency's quantum benchmarking initiative. Any
19 unexpended balance remaining at the end of fiscal year 2029
20 shall revert to the general fund.

21 B. As used in this section, "quantum benchmarking
22 initiative" means an initiative to verify and validate whether
23 a quantum computing approach can achieve utility-scale
24 operation, in which the operation's computational value exceeds
25 its cost, by 2033.

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1 SECTION 12. APPROPRIATION--OPEN USER FACILITY FOR QUANTUM
2 COMPUTING TESTBED.--

3 A. One hundred fourteen million dollars
4 (\$114,000,000) is appropriated from the general fund to the
5 economic development department for expenditure in fiscal years
6 2027 through 2029 to match federal funds to maintain a quantum
7 computing testbed. Any unexpended balance remaining at the end
8 of fiscal year 2029 shall revert to the general fund.

9 B. As used in this section, "quantum computing
10 testbed" means an open-access quantum computer testbed
11 providing researchers with white-box control, which involves
12 observing or modifying a neural network's internal activations
13 and workings to prevent potential harm from misaligned
14 artificial intelligence models, over hardware to study quantum
15 computing fundamentals, architecture and algorithms that is
16 funded by the United States department of energy's office of
17 science for scientific discovery.

18 SECTION 13. APPROPRIATION--QUANTUM ENTREPRENEURS AND
19 TRADE ASSOCIATIONS.--Thirty-seven million five hundred thousand
20 dollars (\$37,500,000) is appropriated from the general fund to
21 the economic development department for expenditure in fiscal
22 years 2027 through 2029 to provide money in amounts as
23 determined by the department to entrepreneurs to create
24 quantum-computing-related start-ups; to quantum-computing-
25 related trade associations to advocate on behalf of the state

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1 and solicit industry and company interest and collaboration; to
2 provide matching funds for federal grants for such
3 entrepreneurs and trade associations; to provide quantum-
4 computing-related workforce training programs at a higher
5 education institution or private business; to Los Alamos
6 national laboratory and Sandia national laboratories to enable
7 quantum computing researchers to use sabbatical leave to pursue
8 commercial opportunities in New Mexico; and to support
9 businesses in recruiting and retaining a quantum-computing-
10 related workforce. Recipients shall be prioritized and
11 selected as determined by the department. Any unexpended
12 balance remaining at the end of fiscal year 2029 shall revert
13 to the general fund.

14 **SECTION 14. APPROPRIATION--SCIENCE AND TECHNOLOGY**
15 **ENTREPRENEURS AND SMALL BUSINESSES.--**Thirty-four million eight
16 hundred thousand dollars (\$34,800,000) is appropriated from the
17 general fund to the economic development department for
18 expenditure in fiscal years 2027 through 2029 to provide money
19 in amounts as determined by the department to entrepreneurs and
20 small businesses to start science and technology businesses.
21 Any unexpended balance remaining at the end of fiscal year 2029
22 shall revert to the general fund.

23 **SECTION 15. APPROPRIATION--INNOVATION HUBS.--**Sixty
24 million dollars (\$60,000,000) is appropriated from the general
25 fund to the economic development department for expenditure in

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1 fiscal years 2027 through 2029 to provide funding for an
2 innovation hub that will co-locate laboratory and office space
3 for companies and entrepreneurs in target sectors and build
4 programming to support technology and innovation growth. Any
5 unexpended balance remaining at the end of fiscal year 2029
6 shall revert to the general fund.

7 **SECTION 16. APPROPRIATION--TECHNOLOGY INNOVATION PRIZE.--**

8 Twenty-one million dollars (\$21,000,000) is appropriated from
9 the general fund to the economic development department for
10 expenditure in fiscal years 2027 through 2029 to fund
11 technology innovation prizes pursuant to the technology
12 innovation prize program. Any unexpended balance remaining at
13 the end of fiscal year 2029 shall revert to the general fund.

14 **SECTION 17. APPROPRIATION--HEALTHY FOOD FINANCING.--**

15 A. Six million dollars (\$6,000,000) is appropriated
16 from the general fund to the economic development department
17 for expenditure in fiscal years 2027 through 2029 for the
18 department's healthy food financing program. Any unexpended
19 balance remaining at the end of fiscal year 2029 shall revert
20 to the general fund.

21 B. As used in this section, "healthy food financing
22 program" means a program that provides increased food security
23 for New Mexicans by increasing access to food for historically
24 underresourced communities, addressing workforce development
25 challenges through the creation and retention of jobs in the

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1 food and agricultural supply chain, strengthening and
2 diversifying in-state market channel access for small and mid-
3 scale food and agricultural operations, advancing food safe
4 storage, aggregation, distribution and transportation in
5 regional food supply chain networks and supporting the
6 implementation of regenerative agricultural practices.

7 SECTION 18. APPROPRIATION--TRAILS PLUS GRANT PROGRAM.--

8 A. Thirty million dollars (\$30,000,000) is
9 appropriated from the general fund to the New Mexico outdoor
10 recreation division of the economic development department for
11 expenditure in fiscal years 2027 through 2029 for the
12 division's trails plus grant program. Any unexpended balance
13 remaining at the end of fiscal year 2029 shall revert to the
14 general fund.

15 B. As used in this section, "trails plus grant
16 program" means a program that provides grants for projects for
17 the planning, development and improvement of outdoor space,
18 including trails, river parks, wildlife viewing areas and
19 trailheads.

20 SECTION 19. APPROPRIATION--INDIGENOUS FILM FESTIVAL.--

21 Nine million dollars (\$9,000,000) is appropriated from the
22 general fund to the economic development department for
23 expenditure in fiscal years 2027 through 2029 to contract for
24 services to provide an indigenous film festival. Any
25 unexpended balance remaining at the end of fiscal year 2029

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1 shall revert to the general fund.

2 **SECTION 20. APPROPRIATION--QUANTUM AND ADVANCED ENERGY**
3 **FACULTY ENDOWMENTS AND RESOURCES.--**

4 A. Sixty million dollars (\$60,000,000) is
5 appropriated from the general fund to the economic development
6 department for expenditure in fiscal years 2027 through 2029
7 for a total of three quantum and two advanced energy faculty
8 endowments at state research universities, awarded by the
9 technology and innovation network advisory board. Any
10 unexpended balance remaining at the end of fiscal year 2029
11 shall revert to the general fund.

12 B. Forty-five million dollars (\$45,000,000) is
13 appropriated from the general fund to the economic development
14 department for expenditure in fiscal years 2027 through 2029 to
15 provide research teams and laboratory usage for use by three
16 endowed faculty teaching positions in quantum-related
17 technologies at New Mexico research universities. Any
18 unexpended balance remaining at the end of fiscal year 2029
19 shall revert to the general fund.

20 C. Twenty-four million dollars (\$24,000,000) is
21 appropriated from the general fund to the economic development
22 department for expenditure in fiscal years 2027 through 2029
23 for research teams and laboratory usage for two endowed
24 advanced energy faculty teaching positions at New Mexico
25 research universities. Any unexpended balance remaining at the

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1 end of fiscal year 2029 shall revert to the general fund.

2 **SECTION 21. APPROPRIATION--CENTER FOR QUANTUM INFORMATION**
3 **AND CONTROL RESEARCH ASSISTANTS.--**Three million dollars
4 (\$3,000,000) is appropriated from the general fund to the
5 economic development department for expenditure in fiscal years
6 2027 through 2029 for twenty research assistant positions at
7 the university of New Mexico's center for quantum information
8 and control; provided that no more than five positions shall be
9 held by post-doctoral students and no more than two positions
10 shall be held by graduate students. Any unexpended balance
11 remaining at the end of fiscal year 2029 shall revert to the
12 general fund.

13 **SECTION 22. APPROPRIATION--ADVANCED TECHNOLOGY WORKFORCE**
14 **TRAINING.--**Nine million dollars (\$9,000,000) is appropriated
15 from the general fund to the economic development department
16 for expenditure in fiscal years 2027 through 2029 for advanced
17 technology workforce training. Any unexpended balance
18 remaining at the end of fiscal year 2029 shall revert to the
19 general fund.

20 **SECTION 23. APPROPRIATION--ADVANCED ENERGY PILOT PROJECT**
21 **GRANTS.--**Twenty million dollars (\$20,000,000) is appropriated
22 from the general fund to the economic development department
23 for expenditure in fiscal years 2027 through 2029 for grants
24 for pilot projects in advanced energy, to be coordinated with
25 the state investment council's venture capital investments.

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1 Any unexpended balance remaining at the end of fiscal year 2029
2 shall revert to the general fund.

3 **SECTION 24. APPROPRIATION--ECONOMIC DEVELOPMENT**
4 DEPARTMENT ACCOUNT MANAGER POSITIONS.--Six million dollars
5 (\$6,000,000) is appropriated from the general fund to the
6 economic development department for expenditure in fiscal years
7 2027 through 2029 for account manager positions for target
8 sectors in the technology and innovation division. Any
9 unexpended balance remaining at the end of fiscal year 2029
10 shall revert to the general fund.

11 **SECTION 25. APPROPRIATION--QUANTUM NEW MEXICO**
12 INSTITUTE.--

13 A. One hundred thirty-five million dollars
14 (\$135,000,000) is appropriated from the general fund to the
15 economic development department for expenditure in fiscal years
16 2027 through 2029 for the following purposes for the quantum
17 New Mexico institute at the university of New Mexico to support
18 projects that solve major challenges in the fields of
19 artificial intelligence, quantum technology, advanced energy,
20 aerospace and defense and bioscience:

21 (1) to purchase an on-premises hybrid quantum-
22 classical system; planning, design and development of
23 facilities; installation costs; and technical support to
24 further strengthen collaborations between research
25 institutions, national laboratories and the private sector in

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1 the state;

2 (2) to support projects that solve major
3 challenges in the fields of artificial intelligence, quantum
4 technology, advanced energy, aerospace and defense and
5 bioscience; and

6 (3) for hybrid quantum-classical cloud
7 computing upgrades and computer time.

8 B. Any unexpended balance remaining at the end of
9 fiscal year 2029 shall revert to the general fund.

10 SECTION 26. APPROPRIATION--SCIENCE, TECHNOLOGY,
11 ENGINEERING, ART AND MATHEMATICS INITIATIVES.--Eighteen million
12 dollars (\$18,000,000) is appropriated from the general fund to
13 the economic development department for expenditure in fiscal
14 years 2027 through 2029 for science, technology, engineering,
15 art and mathematics initiatives. Any unexpended balance
16 remaining at the end of fiscal year 2029 shall revert to the
17 general fund.

18 SECTION 27. APPROPRIATION--MARKETING AND PROMOTION.--
19 Seventy-five million dollars (\$75,000,000) is appropriated from
20 the general fund to the economic development department for
21 expenditure in fiscal years 2027 through 2029 to market and
22 promote New Mexico's economic development opportunities and
23 cultural and tourism events. Any unexpended balance remaining
24 at the end of fiscal year 2029 shall revert to the general
25 fund.

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1 **SECTION 28. APPROPRIATION--NEW MEXICO PARTNERSHIP.--**Six
2 million dollars (\$6,000,000) is appropriated from the general
3 fund to the economic development department for expenditure in
4 fiscal years 2027 through 2029 for the New Mexico partnership.
5 Any unexpended balance remaining at the end of fiscal year 2029
6 shall revert to the general fund.

7 **SECTION 29. APPROPRIATION--BIOSCIENCE AUTHORITY.--**Six
8 million dollars (\$6,000,000) is appropriated from the general
9 fund to the board of regents of the university of New Mexico
10 for expenditure in fiscal years 2027 through 2029 for the New
11 Mexico bioscience authority. Any unexpended balance remaining
12 at the end of fiscal year 2029 shall revert to the general
13 fund.

14 **SECTION 30. APPROPRIATION--PUBLIC SAFETY INITIATIVES.--**
15 Sixty million dollars (\$60,000,000) is appropriated from the
16 general fund to the department of finance and administration
17 for expenditure in fiscal years 2027 through 2029 for public
18 safety initiatives. Any unexpended balance remaining at the
19 end of fiscal year 2029 shall revert to the general fund.