

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 276 (HB276) appropriates \$3.3 million from the general fund to the New Mexico State University (NMSU) board of regents for fiscal years 2026 to 2028 to support New Mexico Department of Agriculture (NMDA) initiatives related to the state's winemaking industry. Funding will be used to develop projects, programs, promotions, and educational and civic events highlighting the history, current value, and economic potential of winemaking in New Mexico. The appropriation also supports collaboration with the Department of Transportation to design and install winery wayfinding signage and markers for historically significant winemaking sites, as well as partnership with the tourism department's marketing excellence bureau on national marketing and advertising tied to the 400th anniversary of winemaking in America. Additionally, funds will continue to support an on-staff enologist to enhance student education and workforce preparation in the state's winemaking sector. Any unspent funds at the end of FY28 will revert to the general fund. As there is no effective date listed on this bill, it is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The bill would require NMDA to allocate staff to develop, implement, administer, and track this program. It is unclear this bill's funding can be used for administrative program costs.

NMDA will need an estimated \$34,000 in personnel costs. This estimate includes 20 percent of one agricultural marketing specialist, senior FTE at \$20,000 and 20 percent of one NMDA ag specialist FTE at \$14,000.

SIGNIFICANT ISSUES

Due to New Mexico's unique growing conditions ideal for growing wine grapes, and the desire to supply wine for religious ceremonies, New Mexico's vineyard and wine industry are among the oldest in the United States, spanning approximately four hundred years. According to the New Mexico wine and grape growers' association, there are about 50 wineries operating throughout the state today. According to the 2025 New Mexico economic impact study published by wine America, the total economic impact of the wine industry was \$1.49 billion with a total tax benefit exceeding \$2.06 million and support to almost 9,000 jobs.

In 2022, New Mexico lawmakers recognized the historical significance of the vine and wine industry and its importance to the state's economy, and enacted legislation that allocated \$1 million to support vine plantings in the state. The vine fund, established with the intent to rebuild the economic and agricultural roots of the state's wine industry, was administered by NMDA. The program allocated more than \$925,000 to vineyard and winery owners over a three-year period (2022-2024), with the balance utilized for NMDA staffing and other administrative expenses. While the vine fund provided funding for purchases of vine stock, participants were required to invest in other aspects of vineyard development. For example, new vineyards require land preparation and infrastructure, e.g., trellising and irrigation systems. A total of 28 unique vineyards/wineries participated in the program with 214,000 vines planted.

Supporting New Mexico's winemaking industry would strengthen statewide efforts to promote the sector's historical, cultural, and economic significance. Funding would enhance marketing and educational initiatives tied to the 400-year history of winemaking in America, expand public awareness of New Mexico's wine heritage, and

highlight the important contributions of indigenous and immigrant communities to the industry's development. It would also enable coordinated projects such as wayfinding signage, historical site recognition, and national promotional campaigns, all of which help elevate New Mexico's visibility as a wine-producing region. Additionally, continued support for an on-staff enologist would advance student training and workforce development, while broader program activities would reinforce responsible land stewardship and sustainable industry practices. Overall, this investment would help preserve cultural heritage, strengthen economic opportunities, and support the long-term growth of New Mexico's winemaking sector.

PERFORMANCE IMPLICATIONS

No performance implications to NMDA

ADMINISTRATIVE IMPLICATIONS

No administrative implications to NMDA

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Should HB276 not be enacted, NMDA will not receive the \$3.3 million appropriation from FY26 to FY28 to expand marketing initiatives to promote and support the state's winemaking industry. The absence of funding would also impact efforts to highlight the industry's economic potential, reduce opportunities to attract tourism, and limit collaboration with key state agencies. Additionally, support for an on-staff NMSU enologist critical for student training and workforce development would be unavailable, ultimately slowing industry growth and diminishing both short and long-term economic and educational benefits for New Mexico.

AMENDMENTS

N/A