

SENATE BILL 177

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

INTRODUCED BY

George K. Muñoz and Meredith A. Dixon

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

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 **STBTC**→**MAKING**

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~~APPROPRIATIONS FOR PUBLIC SAFETY INITIATIVES~~ ← STBTC .

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.

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

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

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

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

SECTION 6. APPROPRIATION--ADVANCED ENERGY INDUSTRY INNOVATION HUB AND VENTURE STUDIO.--Twenty-five million dollars (\$25,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years

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2027 through 2029 to contract for services to provide operational support for an advanced energy industry innovation hub and venture studio that will create, launch and scale start-ups targeted to technologies designed to enhance the performance, affordability and reliability of advanced energy systems, including renewable energy deployment, energy efficiency solutions, battery storage and climate technology solutions. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

A. Thirty-seven million five hundred thousand dollars (\$37,500,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to provide money in amounts as determined by the department to entrepreneurs to create advanced energy start-ups; to advanced energy trade associations to advocate on behalf of the state and solicit industry and company interest and collaboration; to provide matching funds for federal grants for such entrepreneurs and trade associations; to provide advanced energy workforce training programs at a higher education institution or New Mexico business; to support New Mexico businesses in recruiting and retaining an advanced energy workforce; and to enable quantum computing researchers at Los Alamos national laboratory

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and Sandia national laboratories to use sabbatical leave to pursue commercial opportunities in New Mexico. Recipients shall be prioritized and selected as determined by the department. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

B. As used in this section, "advanced energy" means technologies for cleaner and more efficient energy production than fossil fuel technology, including technology and innovation that makes energy use cleaner, safer, more secure and more reliable, battery storage, electric and hybrid vehicles and efficiency improvements for homes, industries and transportation.

SECTION 8. APPROPRIATION--DEFENSE TECHNOLOGY, BIOSCIENCE AND AEROSPACE INDUSTRY INNOVATION HUB AND VENTURE STUDIO.-- Thirty million nine hundred thousand dollars (\$30,900,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to contract for services to provide operational support for a defense technology, bioscience and aerospace industry innovation hub and venture studio that will create, launch and scale start-ups and include a sensitive compartmented information facility. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

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A. Nine million dollars (\$9,000,000) is appropriated from the general fund to the board of regents of the New Mexico institute of mining and technology for expenditure in fiscal years 2027 through 2029 to enable a wireless technology hub at the institute's Playas research and training center to provide instrumented, real-world test ranges and laboratories for emerging wireless technologies, shorten the path from research to fielded capability for defense and commercial users and build a durable talent pipeline and supplier base across New Mexico. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

C. Two million dollars (\$2,000,000) is appropriated from the general fund to the board of regents of the university

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of New Mexico for expenditure in fiscal years 2027 through 2029 to purchase robots, three-dimensional printers and supporting equipment and renovation of a centralized training facility. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

D. Eight million dollars (\$8,000,000) is appropriated from the general fund to the board of regents of the university of New Mexico for expenditure in fiscal years 2027 through 2029 to purchase equipment for a flexible ion implanter, cryogenic optical spectroscopy and quantum spin-photon tools; to purchase a focused ion beam milling system with variable-energy and multispecies capability; to purchase fiber semiconductor lasers and high-power microwave test stands; to construct laboratory upgrades; and for a nitrogen liquefaction plant cost-controlled cryogenics for mission-critical United States department of defense collaborations with the United States air force, Sandia national laboratories and Los Alamos national laboratory that depend on uninterrupted cryogenics for directed energy, quantum materials, biobanking and clinical operations. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

E. Five million dollars (\$5,000,000) is appropriated from the general fund to the board of regents of the university of New Mexico for expenditure in fiscal years 2027 through 2029 for the university of New Mexico health

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sciences center for unified activities with the school of engineering and the college of arts and sciences in acoustomicrofluidic microneedle systems, compact optical, radio frequency and biosensors; multimodal brain imaging scanners and functionally guided brain stimulators; and genomic and transcriptomic next-generation sequencing equipment. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

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

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

A. One hundred eighteen million dollars (\$118,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to leverage opportunities pursuant to the genesis mission that will accelerate the artificial intelligence and quantum computing revolutions and double the productivity and impact of American science within a decade. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

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

A. Forty-nine million three hundred thousand dollars (\$49,300,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to match federal funds for the United States department of defense's defense advanced research projects agency's quantum benchmarking initiative. Any

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

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

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

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

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

SECTION 13. APPROPRIATION--QUANTUM ENTREPRENEURS AND

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

SECTION 14. APPROPRIATION--SCIENCE AND TECHNOLOGY

ENTREPRENEURS AND SMALL BUSINESSES.--Thirty-four million eight hundred thousand dollars (\$34,800,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to provide money

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in amounts as determined by the department to entrepreneurs and small businesses to start science and technology businesses. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

SECTION 15. APPROPRIATION--INNOVATION HUBS.--Sixty million dollars (\$60,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to provide funding for an innovation hub that will co-locate laboratory and office space for companies and entrepreneurs in target sectors and build programming to support technology and innovation growth. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

SECTION 16. APPROPRIATION--TECHNOLOGY INNOVATION PRIZE.--Twenty-one million dollars (\$21,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to fund technology innovation prizes pursuant to the technology innovation prize program. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

A. Six million dollars (\$6,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 for the department's healthy food financing program. Any unexpended

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balance remaining at the end of fiscal year 2029 shall revert to the general fund.

B. As used in this section, "healthy food financing program" means a program that provides increased food security for New Mexicans by increasing access to food for historically underresourced communities, addressing workforce development challenges through the creation and retention of jobs in the food and agricultural supply chain, strengthening and diversifying in-state market channel access for small and mid-scale food and agricultural operations, advancing food safe storage, aggregation, distribution and transportation in regional food supply chain networks and supporting the implementation of regenerative agricultural practices.

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

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

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

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trailheads.

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

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

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

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

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

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shall revert to the general fund.

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

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

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

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general fund.

SECTION 23. APPROPRIATION--ADVANCED ENERGY PILOT PROJECT GRANTS.--Twenty million dollars (\$20,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 for grants for pilot projects in advanced energy, to be coordinated with the state investment council's venture capital investments. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

SECTION 25. APPROPRIATION--QUANTUM NEW MEXICO INSTITUTE.--

A. One hundred thirty-five million dollars (\$135,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 for the following purposes for the quantum New Mexico institute at the university of New Mexico to support projects that solve major challenges in the fields of

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artificial intelligence, quantum technology, advanced energy, aerospace and defense and bioscience:

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

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

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

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

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

SECTION 27. APPROPRIATION--MARKETING AND PROMOTION.--

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Seventy-five million dollars (\$75,000,000) is appropriated from the general fund to the economic development department for expenditure in fiscal years 2027 through 2029 to market and promote New Mexico's economic development opportunities and cultural and tourism events. Any unexpended balance remaining at the end of fiscal year 2029 shall revert to the general fund.

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

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

STBTC→~~SECTION 30. APPROPRIATION--PUBLIC SAFETY INITIATIVES.--Sixty million dollars (\$60,000,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal years 2027 through 2029 for public safety initiatives. Any unexpended balance~~

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~~remaining at the end of fiscal year 2029 shall revert to the
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