

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 250

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

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; PROVIDING THAT MONEY IN THE
RESEARCH, DEVELOPMENT AND DEPLOYMENT FUND IS SUBJECT TO
APPROPRIATION BY THE LEGISLATURE; AUTHORIZING EXPENDITURES FROM
THE FUND FOR QUANTUM FACILITY INFRASTRUCTURE PROJECTS AND FOR
FUSION FACILITY PROJECTS; CHANGING THE MEMBERSHIP OF THE
TECHNOLOGY AND INNOVATION NETWORK ADVISORY BOARD, THE ADVISORY
BOARD'S EXECUTIVE COMMITTEE AND SUBCOMMITTEES CREATED BY THE
ADVISORY BOARD; REMOVING THE REPRESENTATIVE FROM THE UNIVERSITY
OF NEW MEXICO HEALTH SCIENCES CENTER AS A CORE MEMBER OF THE
ADVISORY BOARD; REMOVING REPRESENTATIVES OF CENTERS OF
EXCELLENCE NOT OTHERWISE REPRESENTED AS MEMBERS OF THE ADVISORY
BOARD; REDUCING THE NUMBER OF PUBLIC MEMBERS OF THE ADVISORY
BOARD TO NINE PUBLIC MEMBERS WITH EXPERIENCE IN INVESTMENT OR
ENTREPRENEURIAL SUPPORT IN FOUR OF THE TARGET SECTORS; REMOVING
TWO PUBLIC MEMBERS APPOINTED BY THE SECRETARY OF ECONOMIC

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1 DEVELOPMENT AS MEMBERS OF THE ADVISORY BOARD'S EXECUTIVE
2 COMMITTEE; REMOVING THE REQUIREMENT THAT ONE REPRESENTATIVE
3 FROM PRIVATE INDUSTRY SHALL BE A MEMBER OF A SUBCOMMITTEE
4 CREATED BY THE ADVISORY BOARD; MAKING CONFORMING AMENDMENTS;
5 ENACTING TEMPORARY PROVISIONS TO PROVIDE FOR THE EXPIRATION OF
6 THE TERMS OF SERVICE OF ADVISORY BOARD MEMBERS AND THE
7 SUBCOMMITTEE MEMBER REMOVED BY THIS ACT AND FOR THE APPOINTMENT
8 OF ADVISORY BOARD MEMBERS CREATED BY THIS ACT; MAKING
9 APPROPRIATIONS.

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

12 SECTION 1. Section 6-31A-1 NMSA 1978 (being Laws 2025,
13 Chapter 133, Section 5) is amended to read:

14 "6-31A-1. SHORT TITLE.--~~[Sections 5 through 11 of this~~
15 ~~act]~~ Chapter 6, Article 31A NMSA 1978 may be cited as the
16 "Research, Development and Deployment Fund Act"."

17 SECTION 2. Section 6-31A-3 NMSA 1978 (being Laws 2025,
18 Chapter 133, Section 7) is amended to read:

19 "6-31A-3. RESEARCH, DEVELOPMENT AND DEPLOYMENT FUND.--

20 A. The "research, development and deployment fund"
21 is created as a nonreverting fund in the state treasury. The
22 fund consists of distributions, appropriations, gifts, grants,
23 donations and income from investment of the fund. The
24 department shall administer the fund. Money in the fund is
25 ~~[appropriated to the department]~~ subject to appropriation by

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1 the legislature for the purposes of catalyzing innovation,
 2 economic growth and job creation by providing early-stage
 3 capital and financial support to emerging technologies,
 4 start-up businesses and research initiatives that align with
 5 the state's economic development plan through project awards
 6 pursuant to the Research, Development and Deployment Fund Act.

7 B. Expenditures from the fund shall be by warrant
 8 of the secretary of finance and administration pursuant to
 9 vouchers signed by the secretary of economic development or the
 10 secretary's authorized representative."

11 SECTION 3. A new section of the Research, Development and
 12 Deployment Fund Act, Section 6-31A-5.1 NMSA 1978, is enacted to
 13 read:

14 "6-31A-5.1. [NEW MATERIAL] ELIGIBILITY REQUIREMENTS--
 15 QUANTUM FACILITY INFRASTRUCTURE PROJECTS.--

16 A. For project funding for a quantum facility, the
 17 requirements described in this section shall be met in addition
 18 to the requirements pursuant to Section 6-31A-5 NMSA 1978.

19 B. An applicant shall make at least three million
 20 dollars (\$3,000,000) in qualified quantum expenditures for
 21 infrastructure for a quantum facility located in New Mexico.

22 C. The amount of project funding shall not exceed
 23 thirty percent of the amount of the qualified quantum
 24 expenditures made by the applicant for infrastructure for a
 25 quantum facility, not to exceed fifty million dollars

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1 (\$50,000,000) per quantum facility.

2 D. Prior to incurring a qualified quantum
3 expenditure, an applicant shall apply for preliminary
4 certification of eligibility for project funding from the
5 department on forms and in the manner prescribed by the
6 department. The preliminary certification shall be limited to
7 confirming that the qualified quantum expenditures proposed to
8 be made by the applicant will in whole or in part be used to
9 provide infrastructure for a quantum facility and an estimate
10 of the amount of project funding for which the applicant may be
11 eligible. Only one certificate of eligibility shall be issued
12 for a quantum facility, regardless of ownership of the
13 facility.

14 E. Within twelve months of completion of
15 construction of a quantum facility, the applicant shall seek
16 final certification from the department. The maximum aggregate
17 amount of project funding for all quantum facility
18 infrastructure projects that may be certified shall not exceed
19 seventy-five million dollars (\$75,000,000), subject to the
20 limitations pursuant to and the availability of money in the
21 fund. An application for final certification shall include
22 information required by the department to determine eligibility
23 for project funding, including information substantiating
24 qualified quantum expenditures.

25 F. As used in this section:

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1 (1) "qualified quantum expenditure" means an
 2 expenditure made by an applicant for land and rent paid or
 3 incurred for land, improvements, buildings or infrastructure
 4 required for a quantum facility, but not including any
 5 expenditure for property that is owned by a municipality or
 6 county in connection with an industrial revenue bond project,
 7 property for which the applicant has received any credit
 8 pursuant to the Investment Credit Act or property that was
 9 owned by the applicant or an affiliate before January 1, 2025.
 10 If a "qualified quantum expenditure" is an allocation of an
 11 expenditure, the cost accounting methodology used for the
 12 allocation of the expenditure shall be the same cost accounting
 13 methodology used by the applicant in its other business
 14 activities;

15 (2) "quantum facility" means a facility in New
 16 Mexico at which research and development in quantum technology
 17 is conducted, other than a facility operated by an applicant
 18 for the United States or an agency, a department or an
 19 instrumentality thereof; and

20 (3) "quantum technology" means technology that
 21 relies on quantum superposition or quantum entanglement or
 22 innovations that enable those technologies."

23 **SECTION 4.** A new section of the Research, Development and
 24 Deployment Fund Act, Section 6-31A-5.2 NMSA 1978, is enacted to
 25 read:

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1 "6-31A-5.2. [NEW MATERIAL] ELIGIBILITY REQUIREMENTS--
2 FUSION FACILITY PROJECTS.--

3 A. For project funding for a qualified fusion
4 facility, the requirements described in this section shall be
5 met in addition to the requirements pursuant to Section 6-31A-5
6 NMSA 1978.

7 B. The amount of project funding shall not exceed
8 thirty percent of the amount of the qualified fusion capital
9 expenditures made by the applicant, not to exceed fifty million
10 dollars (\$50,000,000) per fusion facility.

11 C. Prior to incurring a qualified fusion capital
12 expenditure, an applicant shall apply for a preliminary
13 certification of eligibility for project funding from the
14 department on forms and in the manner prescribed by the
15 department on or before the first day of the fiscal year in
16 which the applicant intends to apply for project funding. In
17 an application for preliminary certification of eligibility,
18 the applicant shall demonstrate that the applicant:

19 (1) has invested at least ten million dollars
20 (\$10,000,000) in New Mexico;

21 (2) currently employs at least thirty full-
22 time employees in New Mexico; and

23 (3) plans to invest at least one hundred
24 million dollars (\$100,000,000) in New Mexico within the four
25 years immediately following the date of the application.

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1 D. The department shall make a determination on an
 2 application for a preliminary certification of eligibility
 3 within thirty days from receiving the application. If the
 4 department determines that the applicant has demonstrated
 5 eligibility in accordance with this section and with Section
 6 6-31A-5 NMSA 1978 and that the applicant's proposed
 7 expenditures are qualified fusion capital expenditures, the
 8 department shall issue a preliminary certification of
 9 eligibility and provide the applicant with an estimate of the
 10 amount of project funding for which the applicant may be
 11 eligible. Only one preliminary certification of eligibility
 12 shall be issued each year for a fusion facility, regardless of
 13 the facility's ownership.

14 E. After an applicant receives a preliminary
 15 certification of eligibility and incurs a qualified fusion
 16 capital expenditure, the applicant shall seek a final
 17 certification from the department. The maximum aggregate
 18 amount of project funding per year for all qualified fusion
 19 capital expenditures that may be certified shall not exceed
 20 seventy-five million dollars (\$75,000,000), subject to the
 21 limitation pursuant to this section and the availability of
 22 money in the fund. An applicant for a final certification
 23 shall include information required by the department to
 24 determine eligibility for project funding, including
 25 information substantiating qualified fusion capital

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1 expenditures. Within sixty days from the date an application
2 for final certification is received, the department shall make
3 a determination on the application and initiate project funding
4 if the application is approved.

5 F. As used in this section:

6 (1) "fusion facility" means a facility in New
7 Mexico in which fusion machines or components of fusion
8 machines are built or in which a fusion machine is operated for
9 research and development purposes and does not include a
10 facility operated by an applicant for the United States or an
11 agency, a department or an instrumentality of the United
12 States;

13 (2) "fusion machine" means a machine capable
14 of transforming atomic nuclei through fusion processes into
15 different elements, isotopes or particles and includes
16 associated systems that are essential to facilitate a fusion
17 process; and

18 (3) "qualified fusion capital expenditure"
19 means an expenditure to procure equipment or facilities
20 required for a fusion facility and does not include an
21 expenditure for land that is owned by a municipality or county
22 in connection with an industrial revenue bond or an expenditure
23 for which the applicant has received a credit pursuant to the
24 Investment Credit Act. If a "qualified fusion capital
25 expenditure" is an allocation of an expenditure, the cost

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1 accounting methodology used for the allocation for the
 2 expenditure shall be the same as the cost accounting
 3 methodology used by the applicant in the applicant's other
 4 business activities."

5 SECTION 5. Section 9-15-15.4 NMSA 1978 (being Laws 2025,
 6 Chapter 133, Section 3) is amended to read:

7 "9-15-15.4. TECHNOLOGY AND INNOVATION NETWORK ADVISORY
 8 BOARD--CREATED--MEMBERS--DUTIES.--

9 A. The "technology and innovation network advisory
 10 board" is created in the technology and innovation division of
 11 the department. [~~The advisory board consists of an executive
 12 committee and any subcommittees created by the executive
 13 committee.~~] The advisory board is composed of the following
 14 members:

15 (1) the secretary or the secretary's designee,
 16 to serve as chair;

17 (2) [~~eleven~~] ten members who may collectively
 18 be referred to as "core members", including the president of
 19 the New Mexico independent community colleges or that
 20 president's designee, the president of the New Mexico chamber
 21 of commerce or that president's designee and one representative
 22 from [~~each of the following~~]:

- 23 (a) Sandia national laboratories;
- 24 (b) Los Alamos national laboratory;
- 25 (c) the United States air force research

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1 laboratory;

2 (d) New Mexico state university;

3 (e) the university of New Mexico;

4 [~~(f)~~ the university of New Mexico health
5 sciences center;

6 ~~(g)~~ (f) the New Mexico institute of
7 mining and technology;

8 [~~(h)~~ (g) Navajo technical university;

9 and

10 [~~(i)~~ (h) central New Mexico community
11 college; and

12 [~~(3)~~ a representative from each center of
13 excellence established pursuant to Section 21-1-27.11 NMSA 1978
14 that is not otherwise represented on the board; and

15 ~~(4)~~ the following public members to be
16 appointed by the secretary:

17 (a) one representative from a skilled
18 trades association in New Mexico;

19 (b) one representative from a regional
20 economic development organization;

21 (c) one representative from an Indian
22 nation, tribe or pueblo;

23 (d) one representative from the private
24 equity industry with at least five years of relevant
25 experience;

1 ~~(e) one representative from the venture~~
 2 ~~capital industry with at least five years of relevant~~
 3 ~~experience;~~

4 ~~(f) one representative from the private~~
 5 ~~sector who owns a business and who, on account of the person's~~
 6 ~~previous vocation, employment or affiliation, cannot be~~
 7 ~~classified as a representative of employers or employees;~~

8 ~~(g) one representative from a New Mexico~~
 9 ~~business incubator or accelerator with at least five years of~~
 10 ~~relevant experience; and~~

11 ~~(h) eight representatives who are~~
 12 ~~industry alliance members or have at least five years of~~
 13 ~~relevant experience working in entrepreneurial support. Two~~
 14 ~~representatives shall be from each of the following four target~~
 15 ~~sectors: aerospace and space, biosciences, clean energy and~~
 16 ~~water and advanced computing]~~

17 (3) nine public members appointed by the
 18 secretary who have experience in investment or entrepreneurial
 19 support in the target sectors of aerospace and space,
 20 biosciences, clean energy and water or advanced computing.

21 B. The technology and innovation network advisory
 22 board ~~[is created to unite various sector perspectives to~~
 23 ~~assist in the guidance and ongoing strategic planning of the~~
 24 ~~division. The advisory board]~~ shall:

25 (1) unite various sector perspectives and

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1 assist in and guide the ongoing strategic planning of the
2 division;

3 [~~(1)~~] (2) provide [~~to~~] the technology and
4 innovation division with recommendations for strategic
5 engagement [~~industry perspective~~] and for sectors that the
6 division should make target sectors and with industry
7 perspectives and feedback on the division's programs and
8 initiatives;

9 [~~(2)~~] (3) assist with ensuring active
10 engagement between the state and the private sector;

11 [~~(3)~~] (4) assist the technology and innovation
12 division with administering the Research, Development and
13 Deployment Fund Act, including providing recommendations to
14 that division for eligibility requirements, funding priorities
15 and the awarding of project funding; and

16 [~~(4)~~] (5) publish annual performance reports
17 by December of each year that identify near-term constraints,
18 [~~and~~] challenges [~~identify~~] and opportunities and long-term
19 trends and that provide sector survey metrics and policy
20 recommendations.

21 C. The technology and innovation network advisory
22 board shall meet [~~beginning in 2025, not less than~~] at least
23 quarterly or at the call of the chair or at the request of two-
24 fifths of its membership [~~to carry out its duties~~]. A majority
25 of the members constitutes a quorum for the transaction of

1 business, and the support of a majority of the quorum is
 2 required for adoption of any action.

3 D. Appointments to the technology and innovation
 4 network advisory board shall be made ~~[by]~~ before September 1,
 5 2025, and the terms of service of appointed members ~~[shall~~
 6 ~~start]~~ begin on September 1, 2025. The ~~[terms shall be]~~ term
 7 of service of a technology and innovation network advisory
 8 board member is four years; ~~[and]~~ provided that the initial
 9 terms shall be staggered so that the terms of one-half of the
 10 members shall expire at the end of the initial two years and
 11 the terms of the remaining members shall expire at the end of
 12 the initial four years. The initial terms shall be selected by
 13 random drawing.

14 E. Each member of the technology and innovation
 15 network advisory board shall ~~[pursuant to a policy adopted by~~
 16 ~~and on forms required by the executive committee of the board]~~
 17 disclose conflicts of interest annually in accordance with
 18 procedures adopted by the board's executive committee.

19 F. In the event of a vacancy on the technology and
 20 innovation network advisory board, a new member shall be
 21 appointed by the original appointing authority for the
 22 remainder of the unexpired term. A member may be removed by
 23 the secretary or by a two-thirds' vote of the executive
 24 committee members.

25 G. Public members of the technology and innovation

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1 network advisory board are entitled to ~~[receive]~~ per diem and
2 mileage reimbursement as provided in the Per Diem and Mileage
3 Act and shall receive no other compensation, perquisite or
4 allowance.

5 H. ~~[The staff for the technology and innovation~~
6 ~~network advisory board shall be provided by]~~ The technology and
7 innovation division of the department ~~[and the staff]~~ shall
8 provide staff for the technology and innovation network
9 advisory board to:

10 (1) provide administrative and technical
11 support for the advisory board;

12 (2) ~~[assistance]~~ assist with the coordination
13 and documentation of board, executive committee and
14 subcommittee meetings;

15 (3) ~~[assistance]~~ assist with reporting
16 requirements and metric tracking; and

17 (4) support with the administration of
18 grants."

19 SECTION 6. Section 9-15-15.5 NMSA 1978 (being Laws 2025,
20 Chapter 133, Section 4) is amended to read:

21 "9-15-15.5. TECHNOLOGY AND INNOVATION NETWORK ADVISORY
22 BOARD--EXECUTIVE COMMITTEE--SUBCOMMITTEES--COMPOSITION AND
23 DUTIES.--

24 ~~[A. There is created within the technology and~~
25 ~~innovation network advisory board an executive committee.~~

1 ~~B.~~] A. The technology and innovation network
 2 advisory board has an executive committee [~~is composed~~] that
 3 consists of the following members of the [~~technology and~~
 4 ~~innovation network advisory~~] board:

- 5 (1) the chair;
- 6 (2) two core members; and
- 7 ~~[(3) two of the public members appointed by~~
 8 ~~the secretary; and~~
- 9 ~~(4)]~~ (3) one representative from each of the
 10 following [~~four~~] target sectors:

- 11 (a) aerospace and space;
- 12 (b) biosciences;
- 13 (c) clean energy and water; and
- 14 (d) advanced computing.

15 ~~[G.]~~ B. The executive committee shall oversee the
 16 technology and innovation network advisory board's operations,
 17 set meeting agendas, review and approve subcommittee
 18 recommendations and make time-sensitive decisions between full
 19 board meetings.

20 ~~[D.]~~ C. The technology and innovation network
 21 advisory board may create subcommittees related to a target
 22 sector. A subcommittee shall [~~be composed of the~~] include two
 23 representatives from the corresponding target sector, one
 24 representative from a laboratory, one representative from a
 25 university [~~one representative from private industry~~] and the

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1 secretary or the secretary's designee to serve as chair. The
2 subcommittee members shall elect a vice chair. A member of the
3 public may apply to the executive committee to be a nonvoting
4 member of a subcommittee [~~and the executive committee shall~~
5 ~~adopt~~] in accordance with policies and procedures [~~necessary~~
6 ~~for such an application and evaluation process~~] adopted by the
7 executive committee.

8 [~~F.~~] D. A subcommittee created by the technology
9 and innovation network advisory board shall develop sector-
10 specific metrics and goals, review and assess relevant grant
11 proposals, monitor sector performance and trends, prepare
12 annual reports and identify cross-sector opportunities.

13 [~~F.~~] E. Beginning September 1, 2025, the executive
14 committee [~~beginning September 1, 2025~~] and any subcommittees
15 created shall meet [~~not less than~~] at least quarterly or at the
16 call of the chair or at the request of two-fifths of its
17 membership [~~to carry out its duties~~]. A majority of the
18 members of a subcommittee constitutes a quorum for the
19 transaction of business, and the support of a majority of the
20 quorum is required for adoption of any action."

21 SECTION 7. TEMPORARY PROVISION.--

22 A. The term of service for members of the
23 technology and innovation network advisory board appointed
24 pursuant to the following paragraphs and subparagraphs shall
25 expire on the effective date of this act:

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1 (1) Subparagraph (f) of Paragraph (2) of
2 Subsection A of Section 3 of Chapter 133 of Laws 2025;

3 (2) Paragraph (3) of Subsection A of Section 3
4 of Chapter 133 of Laws 2025; and

5 (3) Paragraph (4) of Subsection A of Section 3
6 of Chapter 133 of Laws 2025.

7 B. The term of service for a member of a
8 subcommittee created by the technology and innovation network
9 advisory board appointed as "one representative from private
10 industry" pursuant to Subsection D of Section 4 of Chapter 133
11 of Laws 2025 shall expire on the effective date of this act.

12 C. Members to fill the positions on the technology
13 and innovation network advisory board created by Section 5 of
14 this act shall be appointed on or before July 1, 2026.

15 **SECTION 8. APPROPRIATIONS.--**

16 A. The following amounts are appropriated from the
17 research, development and deployment fund to the economic
18 development department for expenditure in fiscal years 2027
19 through 2029:

20 (1) up to thirty-three percent of the balance
21 of the fund is appropriated to provide project funding for
22 quantum facility infrastructure projects in accordance with
23 Section 6-31A-5.1 NMSA 1978;

24 (2) up to thirty-three percent of the balance
25 of the fund is appropriated to provide project funding for

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1 fusion facility projects in accordance with Section 6-31A-5.2
2 NMSA 1978; and

3 (3) up to thirty-four percent of the balance
4 of the fund is appropriated to carry out the purposes of the
5 fund as provided in Section 6-31A-3 NMSA 1978.

6 B. No more than one-third of the amounts
7 appropriated in Paragraphs (1) through (3) of Subsection A of
8 this section may be expended in a single fiscal year.

9 C. Any unexpended balance remaining at the end of
10 fiscal year 2029 shall revert to the research, development and
11 deployment fund.

12 SECTION 9. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2026.

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