

underscored material = new  
[bracketed material] = delete

HOUSE BILL 237

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

INTRODUCED BY

Anita Gonzales

AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE SMALL BUSINESS  
DISASTER RELIEF PROGRAM; PROVIDING GRANTS TO SMALL BUSINESSES  
LOCATED IN AN AREA DECLARED BY THE GOVERNOR AS A DISASTER IN  
CERTAIN CIRCUMSTANCES; CREATING THE SMALL BUSINESS DISASTER  
RELIEF FUND; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SMALL BUSINESS DISASTER RELIEF  
PROGRAM.--

A. The "small business disaster relief program" is  
created to provide grants to small businesses located in an  
area declared by the governor as a disaster in the absence of  
funding from the federal emergency management agency or  
reimbursement from an insurance policy. By July 1, 2026, the  
department may award a grant to a small business for:

.233105.2

- 1 (1) operating expenses, including payroll,
- 2 rent and mortgage, utilities and insurance expenses;
- 3 (2) replacement or repair of property owned by
- 4 the business; and
- 5 (3) other business expenses resulting from the
- 6 disaster.

7 B. To receive a grant, an applicant shall apply to  
8 the department on forms and in a manner prescribed by the  
9 department. An application shall include:

- 10 (1) a description of the business and the
- 11 impact of the declared disaster on the business's operations;
- 12 (2) the number of people employed by the
- 13 business; and
- 14 (3) a statement of all existing sources of
- 15 money and assets held or prospective money available to the
- 16 business, including:
  - 17 (a) account balances;
  - 18 (b) lines of credit;
  - 19 (c) state, federal and other grants
  - 20 awarded, anticipated to be awarded or applied for by the
  - 21 business;
  - 22 (d) a demonstration that the proposed
  - 23 use of the funds will meet one or more of the purposes provided
  - 24 in Subsection A of this section; and
  - 25 (e) the amount of the grant requested.

1 C. The department shall determine, through a  
2 competitive review process pursuant to rules promulgated by the  
3 department, which small businesses are approved to receive a  
4 grant. The department may adjust the amount of money requested  
5 based on its determination of the reasonable costs of the  
6 proposed use. Once the applications are approved, the  
7 department shall promptly offer each applicant a grant,  
8 provided that funds are available.

9 D. Prior to December 1, 2026 and each succeeding  
10 December 1 thereafter, the department shall submit a report to  
11 the legislative finance committee, which shall include:

12 (1) the total number of grants made pursuant  
13 to this section;

14 (2) the total number of grant applications;

15 (3) the average amount of money provided to a  
16 recipient of a grant;

17 (4) the total number of employees currently  
18 employed by a business that received a grant; and

19 (5) the industries and types of business  
20 entities represented by grant recipients.

21 E. The department shall promulgate rules to  
22 administer the small business disaster relief program. The  
23 rules shall include provisions to:

24 (1) establish procedures for review,  
25 evaluation and approval of applications for grants; and

1 (2) accord priority attention to small  
2 businesses with the greatest financial need.

3 F. As used in this section, "department" means the  
4 economic development department.

5 SECTION 2. [NEW MATERIAL] SMALL BUSINESS DISASTER RELIEF  
6 FUND.--The "small business disaster relief fund" is created as  
7 a nonreverting fund in the state treasury. The fund consists  
8 of appropriations, gifts, grants and donations. The economic  
9 development department shall administer the fund, and money in  
10 the fund is appropriated to the department to administer the  
11 small business disaster relief program grants pursuant to  
12 Section 1 of this 2026 act. Disbursements from the fund shall  
13 be made by warrant of the secretary of finance and  
14 administration pursuant to vouchers signed by the secretary of  
15 economic development or the secretary's designee.

16 SECTION 3. APPROPRIATION.--One million dollars  
17 (\$1,000,000) is appropriated from the general fund to the small  
18 business disaster relief fund for expenditure in fiscal year  
19 2027 and subsequent fiscal years for the economic development  
20 department to administer grants pursuant to the small business  
21 disaster relief program. Any unexpended balance remaining at  
22 the end of a fiscal year shall not revert to the general fund.