

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:

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underscored material = new
[bracketed material] = delete

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

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

(1) a description of the business and the impact of the declared disaster on the business's operations;

(2) the number of people employed by the business; and

(3) a statement of all existing sources of money and assets held or prospective money available to the business, including:

- (a) account balances;
- (b) lines of credit;
- (c) state, federal and other grants awarded, anticipated to be awarded or applied for by the business;

(d) a demonstration that the proposed use of the funds will meet one or more of the purposes provided in Subsection A of this section; and

(e) the amount of the grant requested.

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

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

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

(2) the total number of grant applications;

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

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

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

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

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

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

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

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

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