FISCAL IMPACT REPORT

BILL NUMBER: CS/House Bill 250/HCEDCS
SHORT TITLE: Tech & Innovation Network Advisory Board
SPONSOR: House Commerce and Economic Development Committee
LAST UPDATE: 2/14/2026 **ORIGINAL DATE:** 2/10/2026 **ANALYST:** Francis

REVENUE*
(dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
EDD: Quantum projects		Up to $20,900.0	Up to $20,900.0	Up to $20,900.0		Nonrecurring	Research, Development and Deployment Fund
EDD: Fusion projects		Up to $20,900.0	Up to $20,900.0	Up to $20,900.0		Nonrecurring	Research, Development and Deployment Fund
EDD: Other RDD projects		Up to $21,533.3	Up to $21,533.3	Up to $21,533.3		Nonrecurring	Research, Development and Deployment Fund

Parentheses indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to House Appropriations and Finance Committee substitute for House Bills 2 and 3 (General Appropriation Act) and Senate Bill 177/aSTBTC.

Sources of Information

LFC Files

Agency or Agencies That Were Asked for Analysis but did not Respond
Economic Development Department
Central New Mexico Community College
University of New Mexico

Because of the short timeframe between the introduction of this substitute and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of HCEDC Substitute for House Bill 50

The House Commerce and Economic Development Committee (HCEDC) substitute for House Bill 250 (HB250/HCEDCS) amends and adds new sections to the Research, Development and Deployment Fund Act to specify the distribution of the Research, Development and Deployment (RDD) fund for new uses, requires money in the RDD be appropriated by the legislature rather than Economic Development Department (EDD) and changes the composition of the Technology and Innovation Network Advisory Board.

HB250/HCEDCS creates two new project types eligible for RDD funding. The first is for a quantum facility, defined as a non-federal facility where quantum technology research is conducted where the applicant has invested at least $3 million in qualified expenditures. Quantum technology is technology that relies on quantum superposition or quantum entanglement or innovations that enable those technologies.[1]

The second new project type eligible for RDD funding is fusion facilities, defined as a non-federal facility located in NM in which fusion machines or components of fusion machines are built or in which a fusion machine is operated for research and development purposes. Fusion machine is defined a machine capable of transforming atomic nuclei through fusion process into different elements, particles, or isotopes.[2] An applicant can apply for up to $50 million in funding provided they have invested $10 million, currently employ at least 30 full time employees in NM, and have plans to invest an additional $100 million within four years of application.

EDD will certify the qualified expenditures, defined as purchase/lease of land, buildings, or other infrastructure necessary for a quantum or fusion facility. Property owned by a county or municipal government in connection with an industrial revenue bond and property where the applicant received an investment tax credit are not eligible. In both cases, the applicant can request funding for 30 percent of qualified expenditures up to $50 million per facility and only one grant per applicant facility per year. The aggregate amount of funding available annually is $150 million, $75 million for each category of project.

HB250/HCEDCS appropriates from the RDD fund to EDD up to 33 percent of the balance of the fund for quantum facilities, up to 33 percent for fusion facilities, and up to 34 percent for other purposes already defined in Section 6-31A-3 NMSA 1978. The appropriations are for FY 2027 through FY 2029 and can be no more than 1/3 of the amounts appropriated can be spent each year.

Finally, HB250/HCEDCS modifies the composition of the Technology and Innovation Network Advisory Board reducing the number of board members to 20: the secretary of EDD, 10 "core members" and 9 public members.

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[11] What Is Quantum Superposition? - Caltech Science Exchange; What Is Quantum Entanglement? Quantum Entanglement Explained in Simple Terms - Caltech Science Exchange

[2] Fusion | Nuclear Regulatory Commission

Board Membership Revision Under HB 250

	Current	HB250 Sub
Core Members		
Secretary, Economic Development Department (Chair of Board)	1	1
NM Independent Community Colleges	1	1
NM Chamber of Commerce	1	1
Sandia National Labs	1	1
Los Alamos National Labs	1	1
US Air Force Research Lab	1	1
New Mexico State University	1	1
University of New Mexico	1	1
New Mexico Institute of Mining and Technology	1	1
University of New Mexico - Health Sciences	1	
Navajo Technical University	1	1
Central New Mexico Community College (CNM)	1	1
Centers of Excellence		
San Juan College	1	
UNM HSC - Biosciences Authority	1	
Public members representing:		
Skilled trades	1	
Regional economic development	1	
Indian nation, tribe or pueblo	1	
Private equity	1	
Venture capital	1	
Business incubator	1	
Investor/entrepreneurs: at least 2 from each of four sectors	8	
Investor/entrepreneurs with experience in four target sectors		9
Total	28	20

The new advisory board proposed by HB250/HCEDCS would have an executive committee made up of the chair (secretary of Economic Development Department, or EDD), two core members, and one representative from each of the target sectors: aerospace and space, biosciences, clean energy and water, and advanced computing. The board can create subcommittees related to each of the targeted sectors. A subcommittee would include two representatives from the sector, one representative from a lab, one from a university, and the chair.

The terms for all members of the board who are being removed, including the eight target industry representatives, would end on July 1, 2026, the default effective date of the legislation.

The terms for the nine public members under HB250/HCEDCS begin on or before July 1, 2026.

The effective date of HB250/HCEDCS is July 1, 2026.

FISCAL IMPLICATIONS

HB250/HCEDCS does not make a dollar amount appropriation but appropriates the balance of funds in the RDD fund. The fiscal impact shows the potential impact if a $150 million transfer from the general fund is made to the RDD fund by other legislation, such as HB2. The amount of funding available to quantum and fusion facilities will depend on the amount in the RDD fund on July 1, 2027.

HB250/HCEDCS appropriates RDD funds to EDD to reimburse applicants for up to 30 percent of qualified expenditures up to $50 million. The current balance of RDD is $40 million (the amount transferred to the RDD from the general fund in 2025). The House Appropriations and Finance Committee substitute for House Bills 2 and 3 (General Appropriation Act of 2026), appropriates an additional $40 million to EDD for the RDD fund and Senate Bill 177 as amended by the Senate Tax, Business and Transportation Committee (SB177/aSTBTC) transfers $110 million from the general fund to RDD fund for a total estimated fund balance of $190 million in FY 2027.[3]

Assuming these other bills are enacted, the balance in RDD will be $190 million at the beginning of FY 2027. Those funds would be allocated by HB250/HCEDCS as follows:

- 33 percent or $62.7 million for quantum facilities, $20.9 million for each of the three years FY 2027, FY 2028, and FY 2029.
- 33 percent or $62.7 million for fusion facilities, $20.9 million for each of the three years FY 2027, FY 2028, and FY 2029.
- 34 percent or $64.6 million for other projects funded by the Research, Development and Deployment Act, $21.53 million for each of the three years FY 2027, FY 2028, and FY 2029.

SIGNIFICANT ISSUES

HB250/HCEDCS establishes clear uses for the RDD to invest in quantum and fusion facilities in New Mexico. Other states are making similar investments. California, Maryland and Texas all have programs or are planning programs with hundreds of millions of investments. These states and Illinois, like New Mexico, are also working with the federal Defense Advanced Research Projects Agency (DARPA) to scale up these technologies.[4]

HB250/HCEDCS makes the membership of the board more flexible by reducing the specific requirements for board members. The new board makeup should make the board more agile and easier to find members. However, the board loses members who represent skilled trades and regional economic development organizations.

A related bill, Senate Bill 177/aSTBTC, is a "moonshot" bill that appropriates over $1 billion, including $974 million to EDD for various programs. Of the amount going to EDD, $60 million

[3] On 2/14/2026, SB177/aSTBTC was tabled by the Senate Finance Committee because the funding was going to be added to the general appropriations act.

[4] States, federals lead revolution in quantum technology industry - Government Market News quantum technology; New Mexico at the Quantum Frontier: state and DARPA forge bold partnership - New Mexico Economic Development Department

is specifically directed to the board to fund three quantum and two advanced energy faculty endowments. Additionally, $110 million is transferred by SB117/aSTBTC to the RDD, which the board uses to assist EDD's Technology and Innovation Office. The board's directive, not substantively changed by HB250/HCEDCS, is to provide the Technology and Innovation Division of EDD with recommendations for strategic engagement the division should make in the target sectors. As a result, the newly constituted board will play a significant role in this large investment should SB177/aSTBTC be enacted.

PERFORMANCE IMPLICATIONS

Quantum Information Science and Engineering. According to the University of New Mexico's (UNM) analysis for SB177/aSTBTC, the opportunity of quantum development in New Mexico. UNM notes the institution and New Mexico's national laboratories have built nationally leading expertise and facilities in quantum science, advanced materials, fusion, and aerospace defense, supported by over 300 specialists and unique research centers. Advances in quantum computing, artificial intelligence, and high-performance computing are enabling breakthroughs in materials, energy, security, medicine, and industry, with quantum technologies offering faster, more efficient solutions and new sensing and communication capabilities.

According to the Technology and Innovation Office's FY26 report on the research, development and deployment fund, sent December 1, 2025, solicitations have gone out for board members but the board does not appear to be operational yet.[5] HB250/HCEDCS's new board configuration, then, will override the activities that have not been completed. Given this experience of difficulty forming a board, the timeline in HB250/HCEDCS may be optimistic in starting board terms by July 1, 2026. However, the office may have already identified members who meet the less restrictive criteria in HB250/HCEDCS.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB177, which transfers $110 million from the general fund to RDD.

Relates to the House Appropriations and Finance Committee substitute for House Bills 2 and 3 (General Appropriation Act), which appropriates $40 million to EDD for the RDD fund "contingent on performance outcomes, including research spending, jobs created and business scaling."

NF/hg/sgs/cf/sgs

[5] Letter dated December 1, 2025, to Office of Governor Michelle Lujan Grisham, NM Legislative Finance Committee, and NM Economic & Rural Development and Policy Interim Committee from Nora Meyers Sackett, Director Technology Innovation Office.