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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 276

SHORT TITLE: NM Winemaking Industry

SPONSOR: Gallegos/Serrato/Lara/Block

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/4/2026 **ANALYST:** Jorgensen

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
\$3,300.0		Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Department of Agriculture

SUMMARY

Synopsis of House Bill 276.

House Bill 276 (HB276) appropriates \$3.3 million from the general fund to the New Mexico Department of Agriculture for the purpose of creating programs recognizing the importance of the winemaking industry in New Mexico, to add signage marking sites significant to the winemaking industry, marketing and advertising to promote the 400th anniversary of winemaking in America, and funding an enologist to support educational programming.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$3.3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund.

SIGNIFICANT ISSUES

NMDA reports:

Due to New Mexico's unique growing conditions ideal for growing wine grapes, and the desire to supply wine for religious ceremonies, New Mexico's vineyard and wine industry are among the oldest in the United States, spanning approximately four hundred years. According to the New Mexico wine and grape growers' association, there are about 50 wineries operating throughout the state today. According to the 2025 New Mexico economic impact study published by wine America, the total economic impact of the wine industry was \$1.49 billion with a total tax benefit exceeding \$2.06 million and support to almost 9,000 jobs.

In 2022, New Mexico lawmakers recognized the historical significance of the vine and wine industry and its importance to the state's economy, and enacted legislation that allocated \$1 million to support vine plantings in the state. The vine fund, established with the intent to rebuild the economic and agricultural roots of the state's wine industry, was administered by NMDA. The program allocated more than \$925,000 to vineyard and winery owners over a three-year period (2022-2024), with the balance utilized for NMDA staffing and other administrative expenses. While the vine fund provided funding for purchases of vine stock, participants were required to invest in other aspects of vineyard development. For example, new vineyards require land preparation and infrastructure, e.g., trellising and irrigation systems. A total of 28 unique vineyards/wineries participated in the program with 214,000 vines planted.

CJ/cf/ct