

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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***(Analysis must be uploaded as a PDF)***

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/12/2024 *Check all that apply:*  
**Bill Number:** HB 20 Original  Correction   
Amendment  Substitute

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**Short Title:** Technology and Innvoation  
Division

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	110,000.00	NR	GF

(Parenthesis ( ) indicate expenditure decreases)

(Parenthesis ( ) indicate revenue decreases)

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

House Bill 20 establishes the **Technology and Innovation Division** within the **New Mexico Economic Development Department** to drive economic growth through innovation. It creates the **Technology and Innovation Network Advisory Board** to guide strategic

initiatives and oversee a **\$100 million Research, Development, and Deployment Fund**, which provides matching funds for tech-driven projects in **aerospace, advanced computing, biosciences, and clean energy & water**. The bill also introduces a **\$10 million Technology Innovation Prize Program** to reward groundbreaking advancements. It restructures existing offices, consolidates funding, and mandates annual reporting on economic impact, aiming to position New Mexico as a leader in technology, job creation, and industry growth. The bill takes effect **July 1, 2025**.

## FISCAL IMPLICATIONS

House Bill 20 proposes a **\$100 million appropriation** from the state's general fund to establish the **Research, Development, and Deployment Fund**, along with a **\$10 million allocation** for the **Technology Innovation Prize Program** for FY 2026-2029. While the creation of these funds is a positive step toward fostering innovation and economic growth, the **\$100 million allocation may be insufficient** to meet the full needs of large-scale grant matching for statewide economic development initiatives. For instance, the **BBB Space Valley grant alone required a \$50 million state commitment**, highlighting potential funding shortfalls for high-impact projects.

### Limitations & Considerations

- **Matching Funds Requirement (Section 9)**: While designed to leverage external investments, the **matching funds provision could create barriers** for organizations with limited access to upfront capital. **Clarification is needed** regarding the eligibility of **nonprofits**, which play a key role in the innovation ecosystem.
- **Venture Capital & Private Investment (Section 2)**: The bill does not explicitly **state whether some of the funding will be routed through the Economic Development Department (EDD) for venture capital investments**. A clearer process for funding allocation and investment strategy would enhance transparency.
- **Community College Representation (Sections 3 & 7)**: The **underrepresentation of community colleges, particularly CNM**, is a missed opportunity given their significant role in workforce development for these industries. Greater involvement of **community colleges** in the advisory board and funding mechanisms could strengthen workforce pipelines.

### Overall Fiscal Impact

While the funding structure of HB 20 is a promising step, limitations in grant matching capacity, clarity in eligibility criteria, and representation of key stakeholders could hinder the program's full potential. Additional appropriations or phased funding increases may be necessary to fully support New Mexico's economic development goals in technology and innovation.

## SIGNIFICANT ISSUES

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**