

HOUSE BILL 179

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

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AN ACT

RELATING TO THE INVESTMENT OF PUBLIC MONEY; PROVIDING FOR THE INVESTMENT OF THE SEVERANCE TAX PERMANENT FUND IN NEW MEXICO RENEWABLE ENERGY.

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

SECTION 1. A new section of the Severance Tax Bonding Act is enacted to read:

"[NEW MATERIAL] INVESTMENT IN NEW MEXICO RENEWABLE ENERGY.--

A. No less than one percent of the market value of the severance tax permanent fund shall be invested pursuant to the Uniform Prudent Investor Act in New Mexico renewable energy under this section.

B. The state investment officer shall make an investment pursuant to this section only upon approval of the

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1 council and, if the investment is in a New Mexico renewable
2 energy private equity fund, review by the private equity
3 investment advisory committee.

4 C. Investments pursuant to this section shall be
5 diversified among the alternatives specified in Subparagraphs
6 (a) through (h) of Paragraph (1) of Subsection D of this
7 section, provided that an investment in a renewable energy
8 project shall not exceed fifty percent of the estimated cost of
9 the project.

10 D. As used in this section:

11 (1) "New Mexico renewable energy" means:

12 (a) a business entity that has its
13 principal office and a majority of its full-time employees in
14 New Mexico and that, as its primary business, manufactures,
15 distributes, sells or installs equipment used in the
16 generation, storage or transmission of renewable energy or in
17 the more efficient use of energy;

18 (b) a business entity that employs more
19 than fifty employees at a manufacturing facility in New Mexico,
20 the primary product of which is equipment used in the
21 generation, storage or transmission of renewable energy or in
22 the more efficient use of energy;

23 (c) a renewable energy project located
24 in New Mexico;

25 (d) bonds issued under the Renewable

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1 Energy Financing District Act;

2 (e) energy efficiency bonds issued under
3 the Energy Efficiency and Renewable Energy Bonding Act;

4 (f) utility revenue bonds issued by a
5 municipality or county for acquiring, extending, enlarging,
6 bettering, repairing or otherwise improving a facility, the
7 primary purpose of which is the generation, storage or
8 transmission of renewable energy;

9 (g) renewable energy transmission bonds
10 issued under the New Mexico Renewable Energy Transmission
11 Authority Act; or

12 (h) a New Mexico renewable energy
13 private equity fund;

14 (2) "New Mexico renewable energy private
15 equity fund" means a business entity organized and operating in
16 the United States that:

17 (a) has as its primary business activity
18 the investment of funds in return for equity in renewable
19 energy projects located in New Mexico;

20 (b) holds out the prospects for capital
21 appreciation from such investments; and

22 (c) accepts investments only from
23 accredited investors as that term is defined in Section 2 of
24 the federal Securities Act of 1933, as amended, and rules
25 promulgated pursuant to that section;

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1 (3) "renewable energy" means energy that is
2 derived from solar heat, solar light, wind, geothermal energy,
3 landfill gas or biomass, either singly or in combination, that
4 produces low or zero emissions and that has substantial
5 long-term production potential;

6 (4) "renewable energy project" means a
7 facility located in New Mexico, the primary purpose of which is
8 the generation, transmission or storage of renewable energy;
9 and

10 (5) "storage" means an energy storage
11 technology that converts, stores and subsequently uses energy
12 to help alleviate temporal disparities between energy supply
13 and demand, to facilitate the distribution of energy or to
14 increase the economic return on the sale of energy."