

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 21

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

AN ACT

RELATING TO HIGHER EDUCATION; CREATING THE ENERGY TECHNOLOGY
HIGHER EDUCATION ENDOWMENT FUND TO FUND THE CURRICULUM,
TEACHING, RESEARCH, DEVELOPMENT AND COMMERCIALIZATION OF ENERGY
TECHNOLOGIES; REQUIRING AN ANNUAL LEGISLATIVE FINANCE COMMITTEE
EVALUATION AND REPORT; TEMPORARILY DISTRIBUTING A PORTION OF
GROSS RECEIPTS TAX REVENUE TO THE FUND; MAKING AN
APPROPRIATION.

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

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

"~~[NEW MATERIAL]~~ DISTRIBUTION--ENERGY TECHNOLOGY HIGHER
EDUCATION ENDOWMENT FUND.--A monthly distribution pursuant to
Section 7-1-6.1 NMSA 1978 shall be made to the energy
technology higher education endowment fund in the amount of
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1 eight hundred thirty-five thousand dollars (\$835,000) from the
2 net receipts attributable to the gross receipts tax imposed by
3 the Gross Receipts and Compensating Tax Act. The distribution
4 shall be made:

5 A. after the distribution made pursuant to Section
6 7-1-6.4 NMSA 1978;

7 B. after the distribution made pursuant to Section
8 7-1-6.42 NMSA 1978;

9 C. after any distribution of net receipts
10 attributable to the gross receipts tax for payment of debt
11 service on outstanding bonds or to a fund dedicated for that
12 purpose; and

13 D. prior to any other distribution of net receipts
14 attributable to the gross receipts tax."

15 SECTION 2. A new section of Chapter 21, Article 1 NMSA
16 1978 is enacted to read:

17 "[NEW MATERIAL] ENERGY TECHNOLOGY HIGHER EDUCATION
18 ENDOWMENT FUND CREATED.--

19 A. The "energy technology higher education
20 endowment fund" is created in the state treasury. The fund
21 shall consist of the distribution under the Tax Administration
22 Act, appropriations, earnings from investment of the fund,
23 gifts, grants, donations, bequests and payments of royalties or
24 licensing fees from a university. Earnings from investment of
25 the fund shall be credited to the fund. Money in the fund

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1 shall be invested by the state investment council. Any money
 2 in the fund shall not revert to any other fund at the end of a
 3 fiscal year.

4 B. As used in this section, "energy technology"
 5 means developing methods that improve energy efficiency by
 6 increasing the net benefits per unit of energy produced,
 7 researching new sources of energy or contributing to
 8 technologies that create energy efficiencies in generation,
 9 storage, transmission or consumption.

10 C. The purposes of the fund are to enable and to
 11 promote teaching, research, extension of knowledge and economic
 12 development for the state through investment in the energy
 13 technology capabilities of the university of New Mexico, New
 14 Mexico state university, the New Mexico institute of mining and
 15 technology and other public higher education institutions.

16 D. On July 1, 2015, and on July 1 of each year
 17 thereafter, five percent of the value of the fund on December
 18 31 of the previous calendar year shall be disbursed to the
 19 following institutions in the following proportions:

- 20 (1) one-fourth to the university of New
 21 Mexico;
- 22 (2) one-fourth to New Mexico state university;
- 23 (3) one-fourth to the New Mexico institute of
 24 mining and technology; and
- 25 (4) one-fourth awarded based on competitive

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1 proposals submitted by any other public higher education
2 institution and evaluated by the higher education department
3 pursuant to criteria and procedures that the higher education
4 department adopts by rule. If no competitive proposal
5 satisfies the higher education department's criteria and
6 procedures for an award pursuant to this paragraph, that
7 portion shall remain in the fund.

8 E. Money from the fund shall be used only for:

- 9 (1) recruiting and retaining faculty;
- 10 (2) developing and implementing curricula;
- 11 (3) research and development; and
- 12 (4) commercializing technology.

13 F. To carry out the purposes of and to use the fund
14 in the most effective and efficient manner, the university of
15 New Mexico, New Mexico state university and the New Mexico
16 institute of mining and technology shall collaborate with each
17 other and coordinate their energy technology curricula.

18 G. Each higher education institution shall pay to
19 the energy technology higher education endowment fund a pro
20 rata portion of the licensing fees or royalties that the
21 institution receives from a research, development or
22 commercialization project, equal to the percentage that each
23 project is financed by a distribution from the fund; provided
24 that the payment to the fund does not exceed ten percent of the
25 licensing fees or royalties received.

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1 H. On an annual basis starting in fiscal year 2018,
2 the university of New Mexico, New Mexico state university and
3 the New Mexico institute of mining and technology, and any
4 other public higher education institution that receives funding
5 from the fund pursuant to Subsection D of this section, shall
6 each report to the legislative finance committee, which shall
7 evaluate and report to the appropriate legislative interim
8 committee, on the uses of and expenditures from the fund,
9 including:

10 (1) the number of faculty recruited and
11 retained;

12 (2) a description of energy technology courses
13 and programs funded by the fund;

14 (3) a description of any collaboration among
15 the universities and between the universities funded by the
16 fund and other institutions, agencies, entities or persons;

17 (4) a description of current and projected
18 technology research, development and commercialization and
19 patent applications, and their economic impact;

20 (5) an analysis of current and projected job
21 creation and industry incubation and growth; and

22 (6) any other information it deems appropriate
23 or as requested by the appropriate legislative interim
24 committee."

25 **SECTION 3. DELAYED REPEAL.--**Section 1 of this act is

.189013.1

1 repealed effective July 1, 2016.

2 SECTION 4. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2012.

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