

HOUSE BILL 289

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

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

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the severance tax permanent fund shall be invested
HENRC→~~pursuant to~~←HENRC HENRC→, in a manner consistent
with←HENRC the Uniform Prudent Investor Act HENRC→,←HENRC in
New Mexico renewable energy pursuant to this section.

HENRC→B. Annually, as of June 30 each year, the
state investment officer shall advise the council of the ratio
of the market value of investments in New Mexico renewable
energy to the market value of the severance tax permanent fund.
The council shall use that ratio in determining what changes in
investments may need to be made, if any, to achieve the
investment goal set forth in Subsection A of this
section.←HENRC

HENRC→B←HENRC HENRC→C←HENRC. The state investment
officer shall make an investment pursuant to this section only
upon approval of the council.

HENRC→E←HENRC HENRC→D←HENRC. Investments pursuant
to this section shall be diversified among the alternatives
specified in Subparagraphs (a) through (h) of Paragraph (1) of
Subsection HENRC→B←HENRC HENRC→E←HENRC of this section,
provided that an investment in a renewable energy project shall
not exceed fifty percent of the estimated cost of the project.

HENRC→B←HENRC HENRC→E←HENRC. As used in this
section:

- (1) "New Mexico renewable energy" means:
 - (a) a business entity that has its

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principal office and a majority of its full-time employees in New Mexico and that, as its primary business, manufactures, distributes, sells or installs equipment used in the generation, storage or transmission of renewable energy or in the more efficient use of energy;

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

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

(d) bonds issued under the Renewable Energy Financing District Act;

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

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

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

(h) a New Mexico renewable energy

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private equity fund;

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

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

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

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

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

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

(5) "storage" means an energy storage technology that converts, stores and subsequently uses energy to help alleviate temporal disparities between energy supply

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and demand, to facilitate the distribution of energy or to increase the economic return on the sale of energy."

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