

HOUSE BILL 259

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; AUTHORIZING A PERCENTAGE OF THE SEVERANCE TAX PERMANENT FUND TO BE INVESTED IN PRIVATE EQUITY FUNDS INVESTING IN CLIMATE TECHNOLOGY.

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 CLIMATE TECHNOLOGY PRIVATE EQUITY FUNDS IN NEW MEXICO.--

A. Subject to the total value limitation set forth in Subsection A of Section 7-27-5.15 NMSA 1978, at least two percent of the market value of the severance tax permanent fund shall be invested in climate technology private equity funds pursuant to this section.

B. The state investment officer shall make

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1 investments pursuant to this section only if the risk of loss
2 is commensurate with expected returns. The state investment
3 officer shall give priority to funds that in turn prioritize
4 investments in total amounts greater than the amounts invested
5 by the state investment council into the respective funds for
6 portfolio companies that:

7 (1) bring a permanent office presence or
8 dedicated personnel located within New Mexico; and

9 (2) will significantly and positively impact
10 the economy in New Mexico.

11 C. As used in this section:

12 (1) "climate technology" means research and
13 development in technology directed at reducing greenhouse gas
14 emissions or mitigating the effects of climate change; and

15 (2) "climate technology private equity fund"
16 means any limited partnership, limited liability company or
17 corporation organized and operating in the United States that:

18 (a) has as its primary business activity
19 the investment of funds in return for equity in climate
20 technology projects;

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

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

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1 promulgated pursuant to that section."

2 SECTION 2. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2024.

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