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SENATE BILL 8

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

Roman Maes

AN ACT

RELATING TO PUBLIC FINANCE; REQUIRING THE STATE INVESTMENT OFFICER TO CONTRACT WITH INVESTMENT ADVISERS FOR VENTURE CAPITAL FUND INVESTMENTS; PROVIDING STAFF FOR THE VENTURE CAPITAL INVESTMENT ADVISORY COMMITTEE.

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

Section 1. Section 6-8-20 NMSA 1978 (being Laws 1987, Chapter 219, Section 3, as amended) is amended to read:

"6-8-20. VENTURE CAPITAL INVESTMENT ADVISORY COMMITTEE CREATED-- SUPPORT STAFF-- MEMBERSHIP-- DUTIES-- TERMS-- LIABILITIES-- CONFLICT OF INTEREST.--

A. There is created the "venture capital investment advisory committee" to the council. The committee consists of the state investment officer, a member of the council appointed by the governor and three members who are

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1 qualified by competence and experience in finance and
2 investment and knowledgeable about the venture capital process
3 and who are appointed by the governor.

4 B. Members appointed by the governor, except the
5 council member, shall be appointed for three-year terms;
6 provided that the terms of the initial committee members shall
7 be staggered so that the term of one member expires each year.
8 After the initial appointments, all governor-appointed members
9 shall be appointed for three-year terms. Members shall serve
10 until their successors are appointed. A vacancy occurring
11 other than by expiration of term shall be filled in the same
12 manner as the original appointment, but only for the unexpired
13 term.

14 C. The committee shall review and make
15 recommendations to the council on investments authorized
16 pursuant to Sections 6-8-21, 7-27-5.6 and 7-27-5.15 NMSA 1978
17 and shall advise the council in matters and policies related
18 to such investments. The committee shall establish policies
19 for venture capital fund and New Mexico venture capital fund
20 investments not less often than annually and shall make copies
21 available to interested parties.

22 D. Members of the committee shall receive per diem
23 and mileage as provided for nonsalaried public officers in the
24 Per Diem and Mileage Act and shall receive no other
25 compensation, perquisite or allowance.

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1 E. The committee shall elect annually a chairman
2 from among its members and may elect other officers as
3 necessary. The committee shall meet upon the call of the
4 chairman or the state investment officer.

5 F. Members of the committee are public employees
6 within the meaning of the Tort Claims Act and are entitled to
7 all immunity and indemnification provided under that act.

8 G. No person may be a member of the committee if
9 any recommendation, action or decision of the committee will
10 or is likely to result in direct, measurable economic gain to
11 that person or his employer.

12 H. The state investment officer [~~may~~] shall enter
13 into a contract with [~~an~~] one or more investment [~~adviser~~]
14 advisers for venture capital fund investments authorized
15 pursuant to Sections 6-8-21, 7-27-5.6 and 7-27-5.15 NMSA 1978
16 and may pay budgeted expenses for [~~the~~] venture capital fund
17 [~~adviser~~] advisers from the assets of any fund administered
18 under the supervision of the council, as applicable. Expenses
19 for an adviser shall not exceed fifty basis points, or one-
20 half of one percent of the capital under advisement. Subject
21 to approval by the committee, the state investment officer
22 shall provide a full-time staff member with experience in
23 private equity investments to support the committee. "

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 January 30, 1998
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8 Mr. President:
9

10 Your COMMITTEES' COMMITTEE, to whom has been referred
11

12 SENATE BILL 8
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14 has had it under consideration and finds same to be NOT GERMANE.
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17 Respectfully submitted,
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22 _____
23 Manny M. Aragon, Chairman
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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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