

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:

"INVESTMENT IN NEW MEXICO RENEWABLE ENERGY.--

A. No more than ten 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 council after review by the energy, minerals and natural resources department, the economic development department and, if the investment is in a New Mexico renewable energy private equity fund, the private equity investment advisory committee.

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

D. As used in this section:

(1) "New Mexico renewable energy" means:

(a) a business entity with its 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 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 from solar heat, solar light, wind, geothermal energy, landfill gas or biomass either singly or in combination that produces low or zero emissions and has substantial long-term production potential;

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

(5) "storage" means energy storage technologies that convert, store and subsequently use energy to help alleviate temporal disparities between energy supply and demand, to facilitate the distribution of energy or to increase the economic return on the sale of energy."