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HOUSE BILL 44

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

Sheryl Williams Stapleton

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 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

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1 council and, if the investment is in a New Mexico renewable  
2 energy private equity fund, review by the private equity  
3 investment advisory committee.

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

10 D. As used in this section:

11 (1) "New Mexico renewable energy" means:

12 (a) a business entity that has its  
13 principal office and a majority of its full-time employees in  
14 New Mexico and that, as its primary business, manufactures,  
15 distributes, sells or installs equipment used in the  
16 generation, storage or transmission of renewable energy or in  
17 the more efficient use of energy;

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

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

25 (d) bonds issued under the Renewable

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1 Energy Financing District Act;

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

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

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

12 (h) a New Mexico renewable energy  
13 private equity fund;

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

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

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

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

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

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

10 (5) "storage" means an energy storage  
11 technology that converts, stores and subsequently uses energy  
12 to help alleviate temporal disparities between energy supply  
13 and demand, to facilitate the distribution of energy or to  
14 increase the economic return on the sale of energy."