

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE SUBSTITUTE FOR
HOUSE BILL 9

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

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE NEXT GENERATION
RESOURCE TECHNOLOGIES DIVISION WITHIN THE ECONOMIC DEVELOPMENT
DEPARTMENT; PROVIDING THE POWERS AND DUTIES OF THE DIVISION;
CREATING THE NEXT GENERATION RESOURCE TECHNOLOGIES PROJECT
FUND; MAKING AN APPROPRIATION.

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

SECTION 1. Section 9-15-3 NMSA 1978 (being Laws 1983,
Chapter 297, Section 3, as amended) is amended to read:

"9-15-3. DEFINITIONS.--As used in the Economic
Development Department Act:

A. "brownfield" means a property the expansion,
redevelopment or reuse of which may be complicated by the
presence or perceived presence of contamination;

~~A.~~ B. "commission" means the economic development

1 commission;

2 [B-] C. "creative industry" means a business,
3 organization or person engaged in creative enterprises,
4 including performing, visual and literary arts; entertainment,
5 media, information and broadcasting; applied arts and design,
6 including architecture, landscape architecture, museum and
7 gallery professions; promotion, marketing, graphics and
8 industrial design; technology and computer system design,
9 software design, coding and digital media; and crafts and
10 artisan professions, including metal, wood, glass, ceramics,
11 paper, printing, textile and culinary arts; "creative industry"
12 does not mean a business, organization or person engaged in
13 creative enterprises involving film;

14 D. "decarbonization" means the removal, reduction
15 or elimination of greenhouse gas emissions;

16 E. "decarbonization project" includes a project
17 that removes, reduces or eliminates greenhouse gas emissions
18 from or increases the energy efficiency of an operating
19 facility, infrastructure system, supply chain, business
20 activity or sector of activity;

21 [G-] F. "department" means the economic development
22 department;

23 [D-] G. "film" means filming activity supported by
24 the New Mexico film division of the department; [~~and~~]

25 H. "next generation resource technologies" means

1 emerging technologies that use natural resources in a more
 2 sustainable, efficient or environmentally responsible way
 3 compared to conventional methods;

4 I. "pilot and demonstration projects" includes a
 5 project that needs a demonstration or testing to prove
 6 scalability for commercialization;

7 [~~E.~~] J. "secretary" means the secretary of economic
 8 development; and

9 K. "technology transfer" means the process by which
 10 technology from research institutions is developed into a
 11 commercial product or service that has a defined market."

12 SECTION 2. Section 9-15-4 NMSA 1978 (being Laws 1983,
 13 Chapter 297, Section 4, as amended) is amended to read:

14 "9-15-4. DEPARTMENT ESTABLISHED.--The "economic
 15 development department" is created in the executive branch.
 16 The department shall be a cabinet department and shall consist
 17 of, but not be limited to, [~~seven~~] six divisions as follows:

18 A. the administrative services division;

19 B. the economic development division;

20 C. the New Mexico film division;

21 [~~D. the technology enterprise division;~~

22 ~~E. the trade and Mexican affairs division;]~~

23 D. the next generation resource technologies
 24 division;

25 [~~F.~~] E. the New Mexico outdoor recreation division;

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1 and

2 [~~G.~~] F. the creative industries division."

3 SECTION 3. A new section of the Economic Development
4 Department Act is enacted to read:

5 "[NEW MATERIAL] NEXT GENERATION RESOURCE TECHNOLOGIES
6 DIVISION CREATED--POWERS AND DUTIES.--

7 A. The "next generation resource technologies
8 division" is created in the department. The division shall:

9 (1) recruit to the state and support state-
10 based companies working on next generation resource
11 technologies;

12 (2) promote research and development,
13 technology transfer and commercialization of next generation
14 resource technologies and decarbonization projects in the
15 state;

16 (3) work with international, regional and
17 national entities on next generation resource technologies and
18 decarbonization projects;

19 (4) gather, centralize and disseminate
20 information on next generation resource technologies and
21 decarbonization projects and entities working in those sectors
22 in the state;

23 (5) coordinate with industry and workforce
24 organizations, educational and post-secondary educational
25 institutions and the workforce solutions department to ensure a

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1 trained workforce in the state for next generation resource
2 technologies and decarbonization projects;

3 (6) engage directly with Indian nations,
4 tribes and pueblos on next generation resource technologies and
5 decarbonization project partnerships, including serving as a
6 resource for grant opportunities, workforce development and
7 industry relationships;

8 (7) identify and facilitate partnerships for
9 entities in the state to apply for competitive federal grant
10 opportunities relating to next generation resource technologies
11 and decarbonization projects;

12 (8) establish a program to connect
13 decarbonization technology suppliers, offtakers and greenhouse
14 gas emitting entities to technologies that will reduce or
15 eliminate greenhouse gas emissions or support water resilience;

16 (9) develop and implement tools and incentives
17 to facilitate voluntary decarbonization efforts;

18 (10) facilitate and link pilot and
19 demonstration projects to existing entities in the state;

20 (11) establish guidelines and rules for grants
21 of up to three million dollars (\$3,000,000) and no more than
22 fifty percent of the estimated total cost of a single project
23 for next generation resource technologies and decarbonization
24 pilot and demonstration projects;

25 (12) serve as project permitting navigators

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1 for next generation resource technologies and decarbonization
2 projects;

3 (13) identify site-ready and brownfield
4 locations for next generation resource technologies and
5 decarbonization projects; and

6 (14) provide recommendations to the governor
7 and the legislature for the streamlining of permitting for next
8 generation resource technologies and decarbonization projects.

9 B. The division may:

10 (1) coordinate with the department of
11 environment, the energy, minerals and natural resources
12 department and the state land office on programs or initiatives
13 the division is undertaking to support the deployment of next
14 generation resource technologies and decarbonization projects;

15 (2) make, enter into and enforce contracts,
16 agreements and other instruments necessary, convenient or
17 desirable in the exercise of the division's powers and
18 functions;

19 (3) enter into agreements to share employees
20 with the department of environment, the energy, minerals and
21 natural resources department, the office of the state engineer
22 and the workforce solutions department; and

23 (4) do anything necessary to carry out the
24 division's purposes and exercise the division's powers.

25 C. On or before January 1, 2025, the department of

1 environment, the energy, minerals and natural resources
 2 department and the state land office shall provide to the
 3 division an outline of the regulatory action those agencies
 4 plan to take over the succeeding two years relating to the
 5 deployment of next generation resource technologies and
 6 decarbonization projects.

7 D. The division's duties and powers provided in
 8 this section shall not be construed to diminish or usurp the
 9 authority of a governmental entity to implement a state or
 10 federal program."

11 SECTION 4. A new section of the Economic Development
 12 Department Act is enacted to read:

13 "[NEW MATERIAL] NEXT GENERATION RESOURCE TECHNOLOGIES
 14 PROJECT FUND--CREATED.--

15 A. The "next generation resource technologies
 16 project fund" is created as a nonreverting fund in the state
 17 treasury. The fund consists of appropriations, gifts, grants,
 18 fees, distributions, donations and income from investment of
 19 the fund. Money in the fund shall be expended upon warrant of
 20 the secretary of finance and administration pursuant to
 21 vouchers signed by the secretary of economic development or the
 22 secretary's authorized representative. Money in the next
 23 generation resource technologies project fund is appropriated
 24 to the department for administration by the next generation
 25 resource technologies division to make grants for:

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1 (1) state matching funds for federal grants
2 for next generation resource technologies or decarbonization
3 projects in the state;

4 (2) the development, deployment or
5 commercialization of next generation resource technologies in
6 the state; and

7 (3) studies and research concerning the
8 development of next generation resource technologies and
9 decarbonization projects in the state.

10 B. The next generation resource technologies
11 division shall develop an application grant process that:

12 (1) protects intellectual property; and

13 (2) ensures transparency.

14 C. The next generation resource technologies
15 division shall develop grant criteria that may include:

16 (1) the viability of the technology;

17 (2) whether the technology was developed in
18 the state;

19 (3) whether the technology can be deployed in
20 the state;

21 (4) whether the project demonstrates a long-
22 term connection to the state;

23 (5) whether the technology or project will
24 make a meaningful contribution to the state achieving a
25 reduction in greenhouse gas emissions of at least:

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1 (a) forty-five percent by 2030 as
2 compared to 2005 levels;

3 (b) seventy-five percent by 2040
4 compared to 2005 levels; and

5 (c) net-zero emissions by 2050;

6 (6) whether the project will benefit the
7 state's environment, public health, economy and workers; and

8 (7) whether the project or technology has
9 received funding from other sources."

10 SECTION 5. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2024.

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