

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 205

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY
NICK L. SALAZAR

AN ACT

RELATING TO TAXATION; INCREASING THE AMOUNT OF THE SEVERANCE TAX
PERMANENT FUND THAT MAY BE INVESTED IN A NEW MEXICO VENTURE
CAPITAL FUND; AMENDING A SECTION OF THE SEVERANCE TAX BONDING
ACT.

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

Section 1. Section 7-27-5.15 NMSA 1978 (being Laws 1990,
Chapter 126, Section 5, as amended) is amended to read:

"7-27-5.15. NEW MEXICO VENTURE CAPITAL FUND

INVESTMENTS. --

A. No more than [~~one-half of~~] one percent of the
[~~book~~] market value of the severance tax permanent fund may be
invested in New Mexico venture capital funds under this section.

B. If an investment is made under this section, not
[~~less than five hundred thousand dollars (\$500,000) or~~] more

Underscored material = new
[bracketed material] = delete

Underscored material = new
[bracketed material] = delete

1 than [~~three million dollars (\$3,000,000)~~] seven million five
2 hundred thousand dollars (\$7,500,000) of the amount authorized
3 for investment pursuant to Subsection A of this section shall be
4 invested in any one New Mexico venture capital fund. The amount
5 invested in any one New Mexico venture capital fund shall not
6 exceed [~~forty~~] fifty percent of the committed capital of that
7 fund. [~~Investments shall be made only in the initial offering~~
8 ~~of a New Mexico venture capital fund provided that any~~
9 ~~investment may be made in one or more increments~~].

10 C. In making investments pursuant to this section, the
11 council shall give consideration to investments in New Mexico
12 venture capital funds whose investments enhance the economic
13 development objectives of the state.

14 D. The state investment officer shall make investments
15 pursuant to this section only upon approval of the council and
16 upon review of the recommendation of the venture capital
17 investment advisory committee. The state investment officer is
18 authorized to make investments pursuant to this section
19 contingent upon a New Mexico venture capital fund securing paid-
20 in investments from other accredited investors for the balance
21 of the minimum committed capital of the fund.

22 E. As used in this section:

23 (1) "committed capital" means the sum of the
24 fixed amounts of money which accredited investors have obligated
25 for investment in a New Mexico venture capital fund and which

Underscored material = new
[bracketed material] = delete

1 fixed amounts may be invested in that fund on one or more
2 payments over time; and

3 (2) "New Mexico venture capital fund" means any
4 [~~limited~~] limited liability company partnership or corporation
5 organized and operating in the United States and maintaining
6 [~~its principal active~~] an office staffed by a full-time
7 investment officer in New Mexico that:

8 (a) has as its primary business activity the
9 investment of funds in return for equity in businesses for the
10 purpose of providing capital for start-up, expansion, product or
11 market development or similar business purposes;

12 (b) holds out the prospects for capital
13 aggregation from such investments;

14 (c) has a minimum committed capital of [~~one~~
15 ~~million two hundred fifty thousand dollars (\$1,250,000)~~] five
16 million dollars (\$5,000,000);

17 (d) has at least one full-time [~~management~~]
18 manager with at least three years of professional experience in
19 assessing the growth prospects of businesses or evaluating
20 business plans and who has established permanent residency in
21 the state;

22 (e) is committed to investing [~~in New Mexico~~
23 ~~one hundred percent of the investments~~] or helps secure
24 investing by others in an amount at least equal to the total
25 investment made by the state investment officer in that fund

Underscored material = new
[bracketed material] = delete

1 pursuant to this section, in businesses with a principal place
2 of business in the state and ~~[holds]~~ that hold promise for
3 attracting additional capital from individual or institutional
4 investors nationwide ~~[to]~~ for businesses in the state; and

5 (f) accepts investments only from accredited
6 investors as that term is defined in Section 2 of the federal
7 Securities Act of 1933, as amended, (15 U.S.C. Section 77(b))
8 and rules and regulations promulgated pursuant to that section
9 [and

10 ~~(g) receives at least forty percent of the~~
11 ~~fund's capital from institutional investors. For the purposes~~
12 ~~of this section, "institutional investors" includes pension~~
13 ~~funds, insurance companies, corporations, trust funds,~~
14 ~~foundations, venture capital funds and financial institutions]. "~~

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 13, 1997

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

HOUSE BILL 205

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 3, line 4, strike all of the line up to "or" and
insert in lieu thereof "limited partnership, limited liability
company".,

and thence referred to the APPROPRIATIONS AND FINANCE
COMMITTEE.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 205

Page 6

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Gonzales

Absent: None

116653.1

M \ H0205

. 114928.1

Underscored material = new
[bracketed material] = delete

State of New Mexico House of Representatives

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

February 20, 1997

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred**

HOUSE BILL 205, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chairman

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 205

Page 8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Abeyta, Garcia, M. H., Heaton, Picraux, Watchman

Absent: None

M \H0205

Underscored material = new
~~[bracketed material]~~ = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1 HB 205

Page 9

2

3

4

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

5

6

7

8

March 15, 1997

9

10 Mr. President:

11

Your FINANCE COMMITTEE, to whom has been referred

12

13

HOUSE BILL 205, as amended

14

15

has had it under consideration and reports same with

16

recommendation that it DO PASS.

17

18

Respectfully submitted,

19

20

21

22

Ben D. Altamirano, Chairman

23

24

25

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1 **HB 205**

2

3

4

Date _____

5

6

7

The roll call vote was 6 For 0 Against

8

Yes: 6

9

No: None

10

Excused: Aragon, Carraro, Ingle, Lyons, McKibben

11

Absent: None

12

13

H0205FC1

14

15

16

17

18

19

20

21

22

23

24

25

Underscored material = new
~~[bracketed material]~~ = delete