

1 HOUSE BILL 289

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Sheryl Williams Stapleton

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10 AN ACT

11 RELATING TO THE INVESTMENT OF PUBLIC MONEY; PROVIDING FOR THE  
12 INVESTMENT OF THE SEVERANCE TAX PERMANENT FUND IN NEW MEXICO  
13 RENEWABLE ENERGY.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. A new section of the Severance Tax Bonding Act  
17 is enacted to read:

18 "[NEW MATERIAL] INVESTMENT IN NEW MEXICO RENEWABLE  
19 ENERGY.--

20 A. No less than one percent of the market value of  
21 the severance tax permanent fund shall be invested pursuant to  
22 the Uniform Prudent Investor Act in New Mexico renewable energy  
23 pursuant to this section.

24 B. The state investment officer shall make an  
25 investment pursuant to this section only upon approval of the

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1 council.

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

8 D. As used in this section:

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

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

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

21 (c) a renewable energy project located  
22 in New Mexico;

23 (d) bonds issued under the Renewable  
24 Energy Financing District Act;

25 (e) energy efficiency bonds issued under

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1 the Energy Efficiency and Renewable Energy Bonding Act;

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

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

10 (h) a New Mexico renewable energy  
11 private equity fund;

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

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

18 (b) holds out the prospects for capital  
19 appreciation from such investments; and

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

24 (3) "renewable energy" means energy that is  
25 derived from solar heat, solar light, wind, geothermal energy,

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1 landfill gas or biomass, either singly or in combination, that  
2 produces low or zero emissions and that has substantial  
3 long-term production potential;

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

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

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