

1 SENATE BILL 169

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO THE ENVIRONMENT; CREATING THE CLIMATE INVESTMENT
12 CENTER; CREATING THE ENVIRONMENTAL PROJECT FINANCING PROGRAM;
13 AUTHORIZING THE CLIMATE INVESTMENT CENTER TO DEVELOP AND
14 ESTABLISH TERMS FOR THE ENVIRONMENTAL PROJECT FINANCING
15 PROGRAM; CREATING THE CLIMATE INVESTMENT CENTER BOARD; CREATING
16 THE CLIMATE INVESTMENT REVOLVING FUND; MAKING AN APPROPRIATION.
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18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 SECTION 1. [NEW MATERIAL] CLIMATE INVESTMENT CENTER--
20 CREATED--POWERS.--

21 A. The "climate investment center" is created as a
22 nonprofit, independent, public corporation. The climate
23 investment center shall administer the environmental project
24 financing program. In carrying out the environmental project
25 financing program, the climate investment center may:

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1 (1) create new financing programs; manage and
2 offer grants and incentive programs; and develop and deploy
3 loan products through partnerships, direct investments and co-
4 investments;

5 (2) sue and be sued in all actions arising out
6 of any act or omission in connection with the environmental
7 project financing program;

8 (3) enter into any contracts or obligations,
9 including leveraging public and private funding and
10 philanthropic support; and

11 (4) cooperate and coordinate with state and
12 federal agencies, local governments, political subdivisions and
13 private entities.

14 B. The climate investment center shall not be
15 considered a state agency for any purpose. The climate
16 investment center is exempted from the provisions of the
17 Personnel Act and the Procurement Code.

18 C. The state shall not be liable for any
19 obligations incurred by the climate investment center.

20 SECTION 2. [NEW MATERIAL] ENVIRONMENTAL PROJECT FINANCING
21 PROGRAM--CREATED--TERMS--DUTIES.--

22 A. The "environmental project financing program" is
23 created and shall be administered by the climate investment
24 center.

25 B. The climate investment center shall develop and

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1 administer the environmental project financing program to fund
2 projects, programs, loans and investment opportunities to
3 further the climate action goals of the state. The climate
4 investment center shall establish strategic goals. In
5 developing the program, the climate investment center shall
6 prescribe the form of application for obtaining funding and
7 establish a process to review and assess projects.

8 C. The climate investment center shall establish
9 rules and operating procedures to implement the environmental
10 project financing program.

11 D. In carrying out the environmental project
12 financing program, the climate investment center may:

13 (1) make, enter into and enforce all contracts
14 necessary or desirable for the purposes of administering the
15 environmental project financing program;

16 (2) use all available remedies under law to
17 enforce a contract pursuant to the environmental project
18 financing program; and

19 (3) contract with other public or private
20 entities to:

21 (a) receive funding from those public
22 and private entities;

23 (b) assist those public and private
24 entities in funding projects, programs and investment
25 opportunities; and

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1 (c) assist the climate investment center
2 with administering the environmental project financing program.

3 SECTION 3. [NEW MATERIAL] CLIMATE INVESTMENT CENTER
4 BOARD--CREATED--NOMINATING COMMITTEE--APPOINTMENT--POWERS.--

5 A. The "climate investment center board" is
6 created. The climate investment center shall be governed by
7 the board. The initial board, consisting of nine voting
8 members, shall be created before December 31, 2023 by a
9 nominating committee. The nominating committee shall consist
10 of seven New Mexico residents with expertise in financial
11 investment and environmental and social issues. Members of the
12 nominating committee shall serve on a volunteer basis and shall
13 consist of:

14 (1) four voting members selected from
15 applications by the public and appointed by the speaker of the
16 house of representatives and the president pro tempore of the
17 senate; and

18 (2) three additional voting members, which
19 shall include:

20 (a) the chief executive officer of the
21 New Mexico finance authority or the chief executive officer's
22 designee;

23 (b) the secretary of human services or
24 the secretary's designee; and

25 (c) the secretary of energy, minerals

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1 and natural resources or the secretary's designee.

2 B. A member of the nominating committee shall not
3 also apply to serve on the climate investment center board.
4 The nominating committee shall solicit applications for
5 qualified applicants and shall recommend candidates to be
6 approved by the speaker of the house of representatives and the
7 president pro tempore of the senate.

8 C. The members appointed to the climate investment
9 center board shall have expertise in matters relating to
10 renewable energy, economic development, banking, environmental
11 justice, law, finance, foundation or nonprofit management or
12 other matters relevant to the work of the climate investment
13 center. At least one board member shall have expertise in one
14 or more of the following:

- 15 (1) economic development;
- 16 (2) issues of economic development in tribal
17 communities;
- 18 (3) economic and environmental justice issues
19 facing low-income and minority groups;
- 20 (4) investment fund management;
- 21 (5) investment in and deployment of renewable
22 energy;
- 23 (6) climate change mitigation and adaptation;
- 24 and
- 25 (7) foundation or nonprofit management.

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1 D. When appointing a member to the board,
2 consideration shall be given to whether the members appointed
3 to the board reflect the ethnic and geographic diversity of the
4 state.

5 E. Each public member of the climate investment
6 center's initial board shall hold office for a term of two
7 years; provided that the initial appointment shall be made of
8 five board members for one-year terms and four board members
9 for two-year terms. A vacancy on the climate investment center
10 board following the initial appointments shall be made by the
11 remaining members of the board and shall be subject to terms
12 provided in the bylaws as adopted by the climate investment
13 center board.

14 F. The climate investment center board shall hire a
15 chief executive officer.

16 G. The chief executive officer of the climate
17 investment center, the secretary of energy, minerals and
18 natural resources or the secretary's designee and the secretary
19 of human services or the secretary's designee shall serve as
20 nonvoting members of the climate investment center board.

21 H. The climate investment center board shall
22 annually elect a chair from among its members and shall elect
23 those other officers it determines necessary for the
24 performance of its duties.

25 I. The climate investment center board shall hire a

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1 chief executive officer.

2 J. The climate investment center board shall
3 determine the goals of the climate investment center in
4 establishing the environmental project financing program. The
5 board shall consider the following objectives:

6 (1) maximizing reductions in greenhouse gas
7 emissions;

8 (2) mitigating climate change, adapting to the
9 impacts resulting from climate change and implementing climate
10 resiliency measures;

11 (3) providing support and reducing energy
12 burdens, as determined by the ratio of household energy costs
13 to household income, to those in vulnerable and tribal
14 communities impacted by climate change;

15 (4) enhancing green job creation;

16 (5) supporting economic growth;

17 (6) supporting sustainable buildings and
18 transportation;

19 (7) providing support for workers and
20 communities impacted by the transition to a low-carbon economy;

21 (8) promoting investments in priority
22 projects; and

23 (9) receiving and using federal funding and
24 other resources to fund priority projects.

25 K. Public members of the climate investment center

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1 board shall be reimbursed for attending meetings of the board
2 as provided in the Per Diem and Mileage Act.

3 L. As used in this section, "priority project"
4 means a project that uses:

- 5 (1) solar resources;
- 6 (2) wind resources;
- 7 (3) geothermal resources;
- 8 (4) hydropower;
- 9 (5) energy efficiency resources;
- 10 (6) water efficiency resources;
- 11 (7) fuel cells using renewable resources;
- 12 (8) alternative-fuel vehicles that do not run
13 on fossil fuels;
- 14 (9) energy storage; or
- 15 (10) any other source that naturally
16 replenishes over a human rather than geological time frame and
17 that is derived from solar, water or wind resources.

18 SECTION 4. [NEW MATERIAL] CLIMATE INVESTMENT REVOLVING
19 FUND--CREATED.--The "climate investment revolving fund" is
20 created in the climate investment center. The fund consists of
21 appropriations, distributions, transfers, gifts, grants,
22 donations, bequests, fees collected and other money distributed
23 or otherwise allocated to the fund or derived from the
24 environmental project financing program. Balances in the fund
25 at the end of a fiscal year shall not revert to the general

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1 fund. Money in the fund is appropriated to the climate
2 investment center to carry out the provisions of the
3 environmental project financing program and may be used to pay
4 reasonably necessary administrative costs to carry out that
5 program.

6 SECTION 5. [NEW MATERIAL] ENVIRONMENTAL PROJECT FINANCING
7 PROGRAM--REPORTS.--The climate investment center shall make
8 annual reports to the governor and to the legislature, prior to
9 each regular legislative session, on the environmental project
10 financing program.

11 SECTION 6. APPROPRIATION.--Twenty million dollars
12 (\$20,000,000) is appropriated from the general fund to the
13 department of finance and administration for expenditure in
14 fiscal year 2024 and subsequent fiscal years to provide
15 operating capital to carry out the provisions of the
16 environmental project financing program as administered by the
17 climate investment center. Any unexpended or unencumbered
18 balance remaining at the end of a fiscal year shall not revert
19 to the general fund.

20 SECTION 7. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2023.