

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR  
SENATE BILL 169

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

AN ACT

RELATING TO THE ENVIRONMENT; ENACTING THE CLIMATE INVESTMENT CENTER ACT; CREATING THE CLIMATE INVESTMENT CENTER; CREATING THE ENVIRONMENTAL PROJECT FINANCING PROGRAM; PROVIDING POWERS AND DUTIES; AUTHORIZING THE CENTER TO DEVELOP AND ESTABLISH APPLICATIONS, SELECTIONS AND TERMS FOR ENVIRONMENTAL PROJECTS; CREATING THE CLIMATE INVESTMENT CENTER BOARD; CREATING THE CLIMATE INVESTMENT REVOLVING FUND; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Climate Investment Center Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Climate Investment Center Act:

A. "board" means the climate investment center board;

1                   B. "center" means the climate investment center;  
2 and

3                   C. "program" means the environmental project  
4 financing program.

5                   SECTION 3. [NEW MATERIAL] CLIMATE INVESTMENT CENTER--  
6 CLIMATE INVESTMENT PROGRAM--CREATED--POWERS AND DUTIES.--

7                   A. The "climate investment center" is created as a  
8 nonprofit, independent, public corporation. The center may:

9                               (1) receive federal funds;

10                               (2) create financing programs, offer and  
11 administer grants and incentive programs and make loans;

12                               (3) enter into contracts or other obligations,  
13 including contracts or obligations to:

14                                       (a) leverage public and private funding  
15 and philanthropic support;

16                                       (b) receive funding from public and  
17 private entities;

18                                       (c) fund projects, programs and  
19 investment opportunities of those public and private entities;

20 and

21                                       (d) receive other assistance to  
22 administer the program;

23                               (4) cooperate and coordinate with state and  
24 federal agencies, local governments and other political  
25 subdivisions and private entities; and

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1 (5) at the discretion of the chief executive  
2 officer of the center, hire staff for the administration of the  
3 program.

4 B. The center is not a state agency for any  
5 purpose. The state shall not be liable for any obligations  
6 incurred by the center.

7 C. The center shall:

8 (1) develop and administer the "environmental  
9 project financing program" to fund projects, programs, loans  
10 and investment opportunities to further the climate action  
11 goals of the state;

12 (2) establish bylaws and operating procedures  
13 for implementing the program;

14 (3) hire a chief executive officer;

15 (4) implement strategic goals, as established  
16 by the board pursuant to Subsection G of Section 4 of the  
17 Climate Investment Center Act;

18 (5) develop and provide the form of  
19 applications for obtaining funding under the program;

20 (6) establish the terms of agreements for  
21 financing under the program;

22 (7) establish processes to approve or deny  
23 applicants for financing and review and assess existing  
24 recipients of program funding; and

25 (8) establish procedures for the enforcement

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1 of contracts for financing approved by the center and repayment  
2 of loans.

3 SECTION 4. [NEW MATERIAL] CLIMATE INVESTMENT CENTER  
4 BOARD--CREATED--APPOINTING COMMITTEE--MEMBERS--QUALIFICATIONS--  
5 TERMS--VACANCIES--DUTIES.--

6 A. The "climate investment center board" is created  
7 as the board of directors of the center. The appointing  
8 committee shall appoint the initial board by December 31, 2023,  
9 after which the board shall appoint members pursuant to  
10 Subsection D of this section. The board consists of nine  
11 members, appointed by the appointing committee by December 31,  
12 2023. A member of the appointing committee shall not be apply  
13 to be a member of the board.

14 B. The appointing committee consists of seven  
15 members, serving voluntarily, appointed as follows:

- 16 (1) three members appointed by the governor;  
17 (2) one member appointed by the president pro  
18 tempore of the senate;  
19 (3) one member appointed by the minority floor  
20 leader of the senate;  
21 (4) one member appointed by the speaker of the  
22 house of representatives; and  
23 (5) one member appointed by the minority floor  
24 leader of the house of representatives.

25 C. Board members shall be selected from applicants

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1 solicited by the appointing committee. Members appointed to  
 2 the board shall:

3 (1) provide adequate representation of ethnic  
 4 groups and geographic areas of the state; and

5 (2) have expertise in one or more of the  
 6 following areas and all areas shall be represented on the  
 7 board:

- 8 (a) economic development;
- 9 (b) tribal community economic  
 10 development and issues unique to those communities;
- 11 (c) economic and environmental justice  
 12 issues faced by low-income and minority communities;
- 13 (d) sustainable development;
- 14 (e) investment fund management;
- 15 (f) investment in and deployment of  
 16 clean technologies;
- 17 (g) climate change mitigation and  
 18 adaptation; or
- 19 (h) foundation or nonprofit management.

20 D. Members of the board shall hold office for a  
 21 term of two years; provided that the initial appointment shall  
 22 be made of five members for one-year terms and four members for  
 23 two-year terms. After December 31, 2023, the board shall  
 24 appoint members to fill vacancies by vote of the remaining  
 25 members of the board. Members of the board shall be subject to

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1 bylaws adopted by the board.

2 E. The board shall annually elect a chair from  
3 among its voting members and shall elect those other officers  
4 it determines necessary for the performance of its duties. The  
5 director of the board, if elected pursuant to this subsection,  
6 may hire staff.

7 F. The board shall have three nonvoting members,  
8 consisting of:

9 (1) the secretary of energy, minerals and  
10 natural resources or the secretary's designee;

11 (2) the secretary of economic development or  
12 the secretary's designee; and

13 (3) the secretary of environment or the  
14 secretary's designee.

15 G. The board shall determine the strategic goals of  
16 the center and establish projects for the program. The  
17 strategic goals shall include:

18 (1) investment in priority projects,  
19 including:

20 (a) solar, wind, geothermal and energy  
21 efficiency resources;

22 (b) building electrification measures;

23 (c) alternative and electric fuel  
24 transportation and infrastructure;

25 (d) energy storage; and

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- 1 (e) other renewable sources of energy  
 2 that replenish within a human lifetime;
- 3 (2) financially sustainable reduction of  
 4 greenhouse gas emissions;
- 5 (3) determination of actions to mitigate and  
 6 adapt to climate change in this state;
- 7 (4) reduction of energy burdens faced by  
 8 households in tribal communities affected by climate change;
- 9 (5) creation of green jobs;
- 10 (6) support of economic growth in fields that  
 11 address climate change;
- 12 (7) support of sustainable buildings and  
 13 transportation; and
- 14 (8) support of workers and communities during  
 15 a transition to a low-carbon economy, if applicable.

16 SECTION 5. [NEW MATERIAL] CLIMATE INVESTMENT REVOLVING  
 17 FUND.--The board may establish a "climate investment revolving  
 18 fund" for the purposes of providing loans and receiving  
 19 repayment of the loans. The funds shall consist of transfers,  
 20 gifts, grants, donations, bequests, fees and income collected  
 21 and other money distributed or otherwise allocated to the fund  
 22 or derived from the program.

23 SECTION 6. [NEW MATERIAL] REPORTS.--The center shall make  
 24 an annual report to the governor and to the legislature prior  
 25 to each regular legislative session. The report shall provide

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1 for the prior fiscal year:

2 A. the total amount of financing provided to  
3 applicants and projects, programs, loans and investments funded  
4 by the program;

5 B. the average amount of financing provided to  
6 applicants for projects, programs, loans and investments funded  
7 by the program;

8 C. the total amounts of applications and current  
9 recipients for financing under the program;

10 D. the total number of loan recipients that are in  
11 the process of filing or have filed for bankruptcy;

12 E. the total number of loans and the amount of  
13 those loans, if any, in a delinquent status or default;

14 F. resources and liabilities of the center;

15 G. the average rate of return on expenditure for  
16 the projects, programs, loans and investments; and

17 H. an overview of the types of projects, programs,  
18 loans and investments and recipients of the program and whether  
19 those relate to the strategic goals established by the board  
20 pursuant to Subsection G of Section 4 of the Climate Investment  
21 Center Act.

22 SECTION 7. APPROPRIATION.--Twenty million dollars  
23 (\$20,000,000) is appropriated from the general fund to the  
24 department of finance and administration for expenditure in  
25 fiscal year 2024 and subsequent fiscal years for operating and

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1 investment capital to carry out the provisions of the  
2 environmental project financing program as administered by the  
3 climate investment center. Any unexpended or unencumbered  
4 balance remaining at the end of a fiscal year shall not revert  
5 to the general fund.

6 SECTION 8. EFFECTIVE DATE.--The effective date of the  
7 provisions of this act is July 1, 2023.

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