

1 SENATE BILL 382

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

3 INTRODUCED BY

4 George K. Muñoz and Martin Hickey

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10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; MAKING THE BIOSCIENCE
12 DEVELOPMENT FUND A NONREVERTING FUND; CREATING THE BIOSCIENCE
13 CO-INVESTMENT FUND; IMPOSING RESTRICTIONS ON CO-INVESTMENT.

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

16 SECTION 1. Section 9-15E-7 NMSA 1978 (being Laws 2017,
17 Chapter 134, Section 7) is amended to read:

18 "9-15E-7. FUND CREATED.--

19 A. The "bioscience development fund" is created in
20 the state treasury. Separate accounts within the fund may be
21 created for any project. Money in the fund, subject to
22 appropriation by the legislature, may be expended by the
23 authority for the purposes of carrying out the provisions of
24 the Bioscience Development Act. [~~Any general fund balance from~~
25 ~~money appropriated by the legislature in the fund shall revert~~

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1 ~~at the end of a fiscal year.]~~ Any unexpended or unencumbered
2 balance remaining in the fund at the end of a fiscal year shall
3 not revert to the general fund.

4 B. Except as provided in this section, money
5 received by the authority shall be deposited in the fund,
6 including:

- 7 (1) money appropriated by the legislature;
8 (2) interest earned upon money in the fund;
9 (3) property or securities acquired through
10 the use of money belonging to the fund;
11 (4) all earnings of property or securities
12 acquired pursuant to Paragraph (3) of this subsection;
13 (5) all of the money received by the authority
14 from a public or private source; and
15 (6) fees, rents or other charges imposed and
16 collected by the authority.

17 C. Disbursements from the bioscience development
18 fund shall be made only upon warrant drawn by the secretary of
19 finance and administration pursuant to vouchers signed by the
20 secretary of economic development or the secretary's designee
21 pursuant to the Bioscience Development Act."

22 SECTION 2. A new section of Bioscience Development Act is
23 enacted to read:

24 "[NEW MATERIAL] INVESTMENT PARTNERSHIPS.--The authority
25 shall form partnerships with private investment organizations

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1 with at least five years' experience investing in
2 New-Mexico-based companies. The board of directors is
3 responsible for the selection of investment partners in
4 partnership with the university of New Mexico purchasing
5 department. Investment partners may include venture capital
6 firms, growth equity firms, private equity firms and angel
7 investment firms."

8 SECTION 3. A new section of the Bioscience Development
9 Act is enacted to read:

10 "[NEW MATERIAL] RESTRICTIONS.--

11 A. Co-investment by the authority in New-Mexico-
12 based bioscience businesses or businesses that relocate to New
13 Mexico shall be matched by no less than a two-to-one ratio by
14 private investment.

15 B. Entities receiving funds from the bioscience
16 development fund shall establish operations in New Mexico with
17 greater than five employees for a period of greater than five
18 years or until the business is no longer solvent.

19 C. The board of directors is responsible for
20 determination of additional restrictions related to the
21 bioscience development fund."

22 SECTION 4. APPROPRIATION.--Fifty million dollars
23 (\$50,000,000) is appropriated from the general fund to the
24 bioscience development fund for expenditure in fiscal year 2024
25 and subsequent fiscal years for the purposes of co-investment

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1 in New-Mexico-based bioscience businesses or established
2 bioscience businesses that relocate to New Mexico. Any
3 unexpended or unencumbered balance remaining at the end of a
4 fiscal year shall not revert to the general fund."

5 SECTION 5. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2023.

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