

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

March 20, 2025

SENATE FLOOR AMENDMENT number _____ to HOUSE TAXATION AND REVENUE
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 19, as amended

Amendment sponsored by Senator

1. Strike Senate Tax, Business and Transportation Committee
Amendment 3.

2. On page 1, line 20, before "MAKING", insert "AMENDING A
SECTION OF THE PROCUREMENT CODE;".

3. On page 24, between lines 1 and 2, insert:

"SECTION 12. Section 13-1-150 NMSA 1978 (being Laws 1984,
Chapter 65, Section 123, as amended) is amended to read:

"13-1-150. MULTI-TERM CONTRACTS--SPECIFIED PERIOD.--

A. A multi-term contract for items of tangible personal property, construction or services except for professional services, in an amount under twenty-five thousand dollars (\$25,000), may be entered into for any period of time deemed to be in the best interests of the state agency or a local public body not to exceed four years; provided that the term of the contract and conditions of renewal or extension, if any, are included in the specifications and funds are available for the first fiscal period at the time of contracting. If the amount of the contract is twenty-five thousand dollars (\$25,000) or more, the term shall not exceed ten years, including all extensions and renewals, except that for a contract entered into pursuant to the Public Facility Energy Efficiency and Water Conservation Act the term shall not exceed twenty-five years, including all extensions and renewals. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. If the contract

.232127.1

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HTRC/HB 19, aa

Page 2

is pursuant to a public-private partnership agreement pursuant to the Trade Ports Development Act, the contract term shall not exceed thirty years, including all extensions and renewals.

B. A contract for professional services may not exceed four years, including all extensions and renewals, except for the following:

(1) services required to support or operate federally certified medicaid, financial assistance and child support enforcement management information or payment systems;

(2) services to design, develop or implement the taxation and revenue information management systems project authorized by Laws 1997, Chapter 125;

(3) a multi-term contract for the services of trustees, escrow agents, registrars, paying agents, letter of credit issuers and other forms of credit enhancement and other similar services, excluding bond attorneys, underwriters and financial advisors with regard to the issuance, sale and delivery of public securities, may be for the life of the securities or as long as the securities remain outstanding;

(4) services relating to the implementation, operation and administration of the Education Trust Act;

(5) services relating to measurement and verification of conservation-related cost savings and utility cost savings pursuant to the Public Facility Energy Efficiency and Water Conservation Act;

(6) services relating to the design and engineering of a state public works project:

(a) for a period not to exceed the requisite time

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HTRC/HB 19, aa

Page 3

for project completion and a subsequent warranty period; and

(b) upon approval of the secretary of finance and administration; ~~and~~

(7) services relating to the design and engineering of a regional water project with an estimated cost of more than five hundred million dollars (\$500,000,000):

(a) for a period not to exceed the requisite time for project completion and a subsequent warranty period; and

(b) upon approval of the secretary of finance and administration; and

(8) a contract for services pursuant to a public-private partnership agreement pursuant to the Trade Ports Development Act, which contract shall not exceed thirty years, including all extensions and renewals."

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

March 21, 2025

SENATE FLOOR AMENDMENT number _____ to HOUSE COMMERCE AND ECONOMIC
DEVELOPMENT COMMITTEE
SUBSTITUTE FOR HOUSE BILL
20, as amended

Amendment sponsored by Senator

1. On page 1, line 21, after the semicolon, insert "AMENDING AND ENACTING SECTIONS OF THE BIOSCIENCE DEVELOPMENT ACT; AUTHORIZING INVESTMENT IN BIOSCIENCE COMPANIES; ESTABLISHING REQUIREMENTS; PROVIDING PENALTIES;".

2. On page 26, between lines 19 and 20, insert:

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

"9-15E-1. SHORT TITLE.--~~[This act]~~ Chapter 9, Article 15E NMSA 1978 may be cited as the "Bioscience Development Act"."

SECTION 16. Section 9-15E-2 NMSA 1978 (being Laws 2017, Chapter 134, Section 2) is amended to read:

"9-15E-2. DEFINITIONS.--As used in the Bioscience Development Act:

A. "authority" means the New Mexico bioscience authority;

B. "bioscience" means the scientific areas represented by life sciences and biotechnology that are included in the five industries recognized by the United States department of labor:

(1) drugs and pharmaceuticals;

(2) medical devices and equipment;

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 2

- (3) research testing and medical laboratories;
- (4) bioscience-related distribution; and
- (5) agriculture and chemicals related to bioscience;

C. "board of directors" means the board of directors of the authority;

D. "co-investing organization" means a person principally engaged in holding, managing and investing securities, including a venture capital firm, a growth equity firm, a private equity firm and an angel investment firm;

~~[D.]~~ E. "financial assistance" means tax incentives, grants, loans and other financial benefits provided for projects to a qualified entity on terms and conditions approved by the authority;

F. "immediate family" means those persons related by blood or marriage as well as stepchildren, foster children and adopted children or persons who live in the same residence and maintain a single economic unit;

~~[E.]~~ G. "national laboratories" means Los Alamos national laboratory and Sandia national laboratories; ~~[and]~~

H. "New Mexico business" means, in the case of a corporation or limited liability company, a business with the business's principal office and a majority of the business's full-time employees located in New Mexico or, in the case of a limited partnership, a business with the business's principal place of business and at least eighty percent of the business's assets located in New Mexico;

I. "portfolio business" means a bioscience business in

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 3

which the authority has made an investment; and

[F.] J. "research institutions" means the university of New Mexico, New Mexico state university and the New Mexico institute of mining and technology."

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

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

A. The "bioscience development fund" is created in the state treasury. Separate accounts within the fund may be created for any project. Money in the fund, subject to appropriation by the legislature, may be expended by the authority for the purposes of carrying out the provisions of the Bioscience Development Act. Any general fund balance from money appropriated by the legislature in the fund shall not revert at the end of a fiscal year.

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

- (1) money appropriated by the legislature;
- (2) interest earned upon money in the fund;
- (3) property or securities acquired through the use of money belonging to the fund;
- (4) all earnings of property or securities acquired pursuant to Paragraph (3) of this subsection;
- (5) all earnings on investments made by the authority;

[~~(5)~~] (6) all of the money received by the authority

.232131.1

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 4

from a public or private source; and

~~[(6)]~~ (7) fees, rents or other charges imposed and collected by the authority.

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

SECTION 18. Section 9-15E-8 NMSA 1978 (being Laws 2017, Chapter 134, Section 8) is amended to read:

"9-15E-8. REPORT TO THE GOVERNOR AND THE LEGISLATURE.-- The authority shall submit a report of its activities for the prior fiscal year to the governor and to the appropriate interim committees of the legislature not later than October 1 of each year, and the report shall be posted on the authority's website."

SECTION 19. A new section of the Bioscience Development Act is enacted to read:

"[NEW MATERIAL] INVESTMENTS--REQUIREMENTS--REIMBURSEMENT OBLIGATIONS.--

A. The authority may invest in a bioscience business that:

(1) is a New Mexico business that shall maintain a minimum in-state workforce of five employees with a minimum median annual salary of sixty thousand dollars (\$60,000) as a condition of the investment; or

(2) pursuant to a contract with the authority, shall relocate to New Mexico and agree to maintain the bioscience business as a New Mexico business for a minimum period of five years as a

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 5

condition of the investment and maintain a minimum in-state workforce of five employees with a minimum median annual salary of sixty thousand dollars (\$60,000).

B. The authority shall assess a bioscience business prior to making an investment decision. An assessment shall include the following assessment factors with scoring weights determined by the authority by rule:

- (1) the market opportunity presented by the product or service offered by the business;
- (2) the current financial stability and status of the business;
- (3) the expertise and experience in bioscience and business start-ups of the officers of the business;
- (4) the business's business plan and strategy to capture or create a market for the business's products or services;
- (5) the business's competitive assets, including intellectual and physical properties;
- (6) the established business's exit strategy;
- (7) the projected economic benefits of the New Mexico business over the next five years, including projected sales, revenue and the number of in-state employees; and
- (8) the projected social benefits of the business in accordance with procurement preferences provided in state or federal law.

C. Investments made pursuant to this section shall be made with a co-investing organization chosen by the authority in

.232131.1

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 6

consultation with the university of New Mexico purchasing office through a competitive process; provided that the co-investing organization meets the following requirements:

(1) the officer of the co-investing organization with final decision-making authority for a co-investment with the authority shall have a minimum of five years of experience investing in bioscience companies or a minimum of ten years of experience investing in start-up companies; and

(2) the authority's investment in a bioscience business shall be no more than one-third of the combined investment of the authority and a co-investor organization in that business within a twelve-month period, making the co-investor organization the lead investor and the authority a follow-on investor.

D. An investment contract with a portfolio business shall specify that:

(1) if the portfolio business fails to meet its contractual obligations pursuant to this section, it shall either:

(a) fully reimburse the authority for the bioscience development fund's cost basis in the portfolio business; or

(b) document to the satisfaction of the authority that the portfolio business has provided economic benefits to the state that exceed the authority's cost basis in the business;

(2) in any sale of a majority of the assets or a majority of the voting stock of the business to a single entity or set of affiliated entities, the acquiring entity or set of affiliated entities shall assume the legal obligations of the contract with the authority;

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 7

(3) in a bankruptcy proceeding, liquidation or deemed liquidation event for the portfolio business, a claim by the authority shall be paid first, except as otherwise provided by federal or state law; and

(4) milestones shall be met quarterly, semi- annually or annually on a case-by-case basis dependent on the type of investment to release a disbursement of funds; provided that milestones may include:

- (a) key hires;
- (b) reaching a higher technological readiness level;
- (c) signing partnership or collaboration agreements;
- (d) being awarded grants and contracts with agencies, foundations or private industry;
- (e) filing new intellectual property patents and receiving granted patents;
- (f) sales and sales agreements for equipment, goods and services;
- (g) investigational new drug approval;
- (h) in vitro or in vivo proof of technology;
- (i) immunogenicity data to support investigational new drug filing; and
- (j) other milestones deemed appropriate for the investment by the authority.

.232131.1

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 8

E. When a portfolio business must compensate the authority pursuant to this section due to an acquisition by another entity or a relocation outside of the state, the authority, in collaboration with local investors, may accept stock in the acquiring entity or in the relocated business in lieu of a cash payment if the value of the stock would be equal to or greater than the amount that the business must compensate."

SECTION 20. A new section of the Bioscience Development Act is enacted to read:

"[NEW MATERIAL] EMPLOYMENT RESTRICTIONS.--

A. An entity that has benefited from a contractual or other activity with the authority, including the receipt of co-investment funding, shall:

(1) have no employee related to a member of the board of directors or a member of a director's immediate family; and

(2) not hire a member of the board of directors, an employee of the authority or a member of a director's or an employee's immediate family within one year of the completion of the board member's term of office or the employee's service with the authority.

B. Any person who knowingly and willfully violates the provisions of Subsection A of this section is guilty of a misdemeanor and shall be sentenced pursuant to the provisions of Subsection B of Section 30-1-6 NMSA 1978. An alleged violation of Subsection A of this section may be reported to the attorney general or district attorney for enforcement."

SECTION 21. A new section of the Bioscience Development Act is enacted to read:

.232131.1

FIFTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/HCEDC/HB 20, aa

Page 9

"[NEW MATERIAL] INVESTMENT REPORTING.--Quarterly reports for all investments shall be presented to the board of directors by the board of the investment committee during regular board meetings, and such reports shall be publicly available pursuant to the Open Meetings Act.""

3. Renumber the succeeding sections accordingly.

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____