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SENATE BILL

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

INTRODUCED BY

Michael Padilla

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE OFFICE OF
ENTREPRENEURSHIP AND INNOVATION; CREATING THE ENTREPRENEURSHIP
AND INNOVATION ADVISORY COMMITTEE; CREATING THE
ENTREPRENEURSHIP CAPITAL INFUSION FUND; REQUIRING REPORTS;
MAKING APPROPRIATIONS.

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

SECTION 1. A new section of the Economic Development
Department Act is enacted to read:

"[NEW MATERIAL] OFFICE OF ENTREPRENEURSHIP AND
INNOVATION.--

A. The "office of entrepreneurship and innovation"
is created and is administratively attached to the department.
The department shall provide administrative services to the
office.

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1 B. The governor shall appoint a director of the
2 office of entrepreneurship and innovation. The director may
3 hire staff as needed to meet the responsibilities of the office
4 of entrepreneurship and innovation.

5 C. The office of entrepreneurship and innovation
6 shall:

7 (1) support entrepreneurs in navigating state
8 resources, programs and rules;

9 (2) advocate for equitable access to capital,
10 markets and networks;

11 (3) provide technical assistance services and
12 guidance to start-up businesses for general business
13 operations;

14 (4) create and administer the entrepreneurship
15 capital infusion fund;

16 (5) provide data analytics and research to
17 entrepreneurs and innovators related to current market trends
18 and projected highest rates of returns on investments;

19 (6) convene regular meetings of economic
20 development agencies in New Mexico to develop entrepreneurship
21 and innovation strategies; and

22 (7) beginning in 2024, by no later than
23 September 30 of each year, report to the governor, the
24 legislative finance committee, the library of the legislative
25 council service and economic development agencies in New Mexico

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1 on the activities of the office during the prior fiscal year
2 and the status of the entrepreneurship capital infusion fund."

3 SECTION 2. A new section of the Economic Development
4 Department Act is enacted to read:

5 "[NEW MATERIAL] ENTREPRENEURSHIP AND INNOVATION ADVISORY
6 COMMITTEE--CREATED--MEMBERSHIP--DUTIES.--

7 A. The "entrepreneurship and innovation advisory
8 committee" is created. The department shall provide necessary
9 administrative services to the committee.

10 B. The entrepreneurship and innovation advisory
11 committee is composed of:

12 (1) the secretary or the secretary's designee,
13 who shall chair the committee;

14 (2) the president of a state university or the
15 president's designee; and

16 (3) a member of the public who is familiar
17 with economic development, entrepreneurship and innovation.

18 C. Members of the entrepreneurship and innovation
19 advisory committee identified in Paragraphs (2) and (3) of
20 Subsection B of this section shall be appointed by the governor
21 with the consent of the senate and shall serve at the pleasure
22 of the governor.

23 D. The entrepreneurship and innovation advisory
24 committee shall:

25 (1) meet quarterly and at such other times as

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1 deemed necessary by the chair;

2 (2) recommend the adoption of rules
3 establishing the application process and criteria for the
4 approval of loans from the entrepreneurship capital infusion
5 fund;

6 (3) develop forms of applications for loans
7 from the entrepreneurship capital infusion fund; and

8 (4) consider and approve or disapprove
9 applications for loans from the entrepreneurship capital
10 infusion fund.

11 E. Members who are not public employees are
12 entitled to per diem and mileage as provided in the Per Diem
13 and Mileage Act but shall receive no other compensation,
14 perquisite or allowance."

15 SECTION 3. A new section of the Economic Development
16 Department Act is enacted to read:

17 "[NEW MATERIAL] ENTREPRENEURSHIP CAPITAL INFUSION FUND
18 CREATED.--

19 A. The "entrepreneurship capital infusion fund" is
20 created in the state treasury. The fund consists of
21 appropriations, income from investment of the fund and any
22 other money distributed or otherwise allocated to the fund.
23 Balances in the fund at the end of any fiscal year shall not
24 revert to the general fund.

25 B. Money in the entrepreneurship capital infusion
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1 fund may be used to make loans of up to five hundred thousand
2 dollars (\$500,000) to enable entrepreneurs to leverage funds
3 from other sources for the purposes of meeting the start-up
4 costs of new economic endeavors, as approved by the
5 entrepreneurship and innovation advisory committee.

6 C. Money in the entrepreneurship capital infusion
7 fund may be used for administrative and reimbursable costs
8 incurred by the office of entrepreneurship and innovation
9 subject to the legislative appropriation process.

10 D. Disbursements from the entrepreneurship capital
11 infusion fund shall be made by warrant of the secretary of
12 finance and administration pursuant to vouchers signed by the
13 secretary of economic development or the secretary's authorized
14 representative.

15 E. By December 1, 2023, and by December 1 of each
16 year thereafter, the secretary shall provide a report to the
17 governor, the legislative finance committee and the library of
18 the legislative council service regarding:

19 (1) loans approved by the entrepreneurship and
20 innovation advisory committee pursuant to Subsection B of this
21 section;

22 (2) the status of repayment obligations for
23 loans made pursuant to Subsection B of this section;

24 (3) money used for administrative and
25 reimbursable costs pursuant to Subsection C of this section;

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1 and

2 (4) the status of the entrepreneurship capital
3 infusion fund."

4 SECTION 4. APPROPRIATION.--

5 A. Seven hundred fifty thousand dollars (\$750,000)
6 is appropriated from the general fund to the economic
7 development department for expenditure in fiscal year 2024 to
8 fund the activities of the office of entrepreneurship and
9 innovation. Any unexpended or unencumbered balance remaining
10 at the end of fiscal year 2024 shall revert to the general
11 fund.

12 B. Two million dollars (\$2,000,000) is
13 appropriated from the general fund to the entrepreneurship
14 capital infusion fund for expenditure in fiscal year 2024 and
15 subsequent fiscal years to provide financial support for the
16 start-up costs of new economic endeavors. Any unexpended or
17 unencumbered balance remaining at the end of a fiscal year
18 shall not revert to the general fund.

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

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