

SB 382

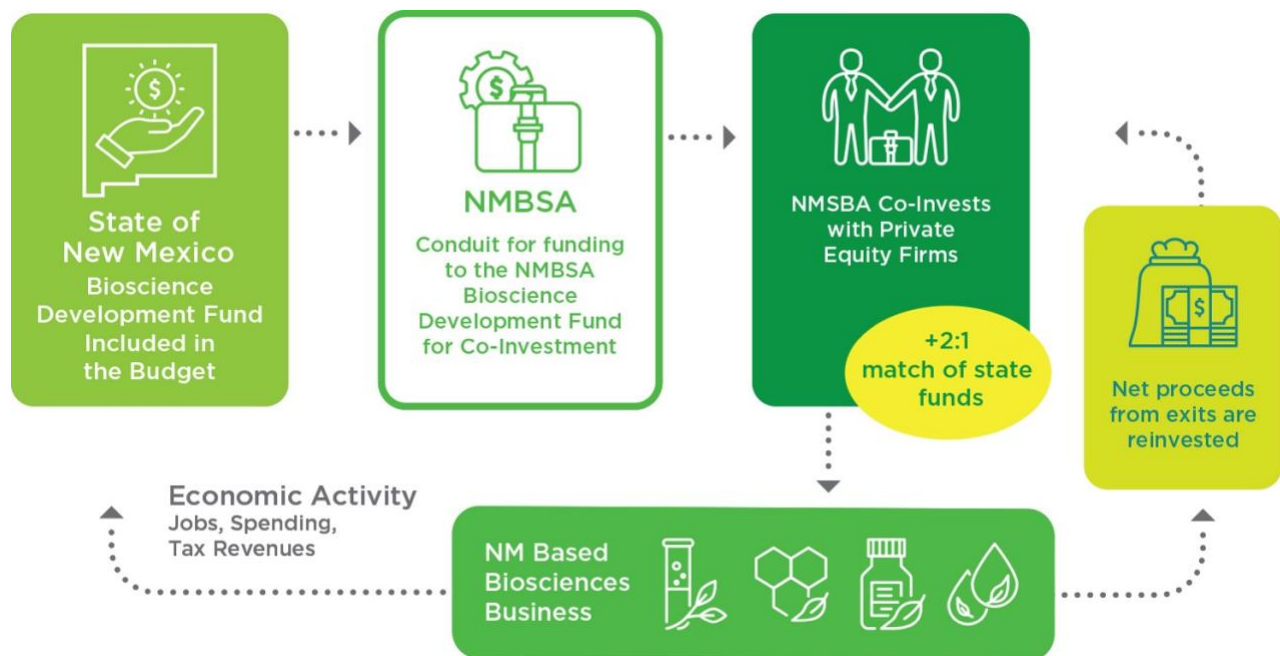
BIOSCIENCE FUND REVERSION & INVESTMENT

About the Bill

SB 382 authorizes the NM Bioscience Authority (NMBSA) to partner with qualified private equity firms (e.g., Angel Investors or Venture Capital) to co-invest in Bioscience businesses that are based in or moving to New Mexico. The amount of the NMBSA's investment must be matched by the private equity partner 2-to-1 so if the NMBSA invests \$100,000, the private equity partner must invest \$200,000.

The NMBSA receives equity (such as shares of stock) equal to the value of its investment. Then when the Bioscience business becomes successful and its shares are bought by a new owner, the NMBSA receives cash for its equity. NMBSA puts the proceeds back into the Bioscience Development Fund to co-invest in another New Mexico Bioscience business.

SB 382 also places parameters on the co-investment program. The details of the co-investment program will be informed by a pilot project already completed by the NMBSA and the New Mexico Angels, and will be articulated and adopted through the standard agency rulemaking process.



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What is the Bioscience Development Fund?

The Bioscience Development Fund was created in 2017 to enable the NM Bioscience Authority (NMBSA) to fulfill the purposes of the Bioscience Development Act, including actively recruiting industries and establishing programs that will result in the location and relocation of new Bioscience industries in New Mexico. For the first time this year, the Bioscience Development Fund is able to be funded (\$25M in the Budget)

Who is NMBSA?

The NM Bioscience Authority (NMBSA) is a state agency that was created by the NM Legislature as a public-private partnership in 2017 after a report showed the strength of the growing bioscience industry, its presence in New Mexico, and examples of how New Mexico could encourage and capture this burgeoning industry. It is a Center of Excellence housed at UNM's Health Science Center.

Why Bioscience in New Mexico?

The Bioscience industry's impact on the U.S. economy totaled \$2.6 trillion dollars in 2018. The Bioscience industry's employment base has grown more than twice as much as the overall private sector since 2016. Bioscience industry wages are nearly two times the overall U.S. average. Each Bioscience job supports nearly four additional jobs through indirect and induced effects. The State of New Mexico's Economic Development Plan recommends diversifying New Mexico's economy. The Bioscience industry is a powerful tool to accomplish this goal.

What are some examples of the Bioscience industry in New Mexico?

- A Los Alamos company that has developed technology and a product that appears to eliminate airborne allergies (cottonwood, juniper, hay fever, etc.).
- An Albuquerque company that has come up with a new theory for the cause of Alzheimer's and, if proven correct, a way to prevent it.
- A Socorro company that has invented a technology that aims to prevent antibiotic resistance in microorganisms (thereby making our traditional antibiotics effective again).
- An Albuquerque company that looks like it has created a new way to diagnose and, in the future, treat mental diseases like depression and schizophrenia.
- An Albuquerque company that has developed a test intended to indicate if a person's immune system is working properly and if that immune system is strengthened or weakened with particular foods or supplements.

