

1 SENATE BILL 112

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Pete Campos and Sarah Silva

5

6

7 FOR THE LEGISLATIVE FINANCE COMMITTEE

8

9

10 AN ACT

11 RELATING TO INVESTMENTS; AMENDING THE INVESTMENT CLASSES THAT  
12 MAY BE INVESTED IN WITH MONEY IN THE SEVERANCE TAX PERMANENT  
13 FUND.

14

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

16 SECTION 1. Section 7-27-5 NMSA 1978 (being Laws 1983,  
17 Chapter 306, Section 7, as amended) is amended to read:

18 "7-27-5. INVESTMENT OF SEVERANCE TAX PERMANENT FUND--  
19 A. The severance tax permanent fund shall be  
20 invested in separate [differential rate and market rate]  
21 investment classes as provided in this section.

22 B. "Differential rate investments", [are permitted  
23 in Sections 7-27-5.3 through 7-27-5.5, 7-27-5.13, through  
24 7-27-5.17, 7-27-5.22, 7-27-5.24 and 7-27-5.26 NMSA 1978 and]  
25 which are intended to stimulate the economy of New Mexico and

.232780.1

underscored material = new  
[bracketed material] = delete

1 to provide income to the severance tax permanent fund, are  
2 permitted only for investments made pursuant to the following:

3 (1) Subsection F of Section 7-27-5.15 NMSA  
4 1978; and

5 (2) prior to July 1, 2026, Sections 7-27-5.3  
6 through 7-27-5.5, 7-27-5.13, 7-27-5.17, 7-27-5.19 through  
7 7-27-5.22, 7-27-5.24, 7-27-5.26 and 7-27-5.27 NMSA 1978 and  
8 Subsections A, E and G of Section 7-27-5.15 NMSA 1978.

9 C. "Market rate investments" are investments that  
10 are not differential rate investments and are intended to  
11 provide income to the severance tax permanent fund.

12 D. All [market rate investments and differential

13 rate] investments shall be invested in accordance with the  
14 Uniform Prudent Investor Act and shall be accounted for in  
15 accordance with generally accepted accounting principles.

16 ~~[B. In addition to the investment classes described~~  
17 ~~in Subsection A of this section, the severance tax permanent~~  
18 ~~fund shall be invested in loans to provide emergency economic~~  
19 ~~relief to local governments as provided by Section 8 of this~~  
20 ~~2020 act.]~~"